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Daily Report

LAST ISSUE

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LAST ISSUE

Latin America

FBIS-LAT-96-145
Friday
26 July 1996

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Daily Report
Latin America

FBIS-LAT-96-145 *26 July 1996*

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Cuba

Cuba: Official on Immigration Agreements With U.S.

PA2607032196 Havana Radio Havana Cuba in Spanish 0000 GMT 26 Jul 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] On 23 July, U.S. authorities at the Guantanamo Naval Base returned to Cuban authorities two Cuban citizens who had entered this military installation with the purpose of leaving Cuba illegally; this incident proves the two governments' willingness to keep fulfilling the immigration agreements signed in 1995. Carlos Fernandez De Cossio, director of the North American Office of the Cuban Foreign Ministry, has said:

[Begin De Cossio recording] "The two governments are determined to fulfill this agreement and to ensure the success of the fundamental objective described; that is, that migration between the two countries can be orderly, safe, and legal. In this context, the commitments the two governments have made have been complied with satisfactorily; this compliance is expected to continue in the next few months. U.S. authorities so far have strictly issued the number of visas they had pledged; as a result, several thousand people have succeeded in departing Cuba for the United States legally, safely, and orderly, as the two sides agreed, since the agreements were signed. In turn, Cuba has made good its pledge to adopt measures to keep people from departing, receiving people who have tried to emigrate by sea, and not keeping people from emigrating legally." [end recording]

Along these lines, De Cossio has explained the relationship between the special lottery the U.S. Government uses and the immigration agreements Washington and Havana have signed:

[Begin De Cossio recording] "The special lottery is one of the methods the U.S. Government uses to comply with its commitment to receive at least 20,000 Cubans a year. The U.S. law stipulates certain requirements that must be met before a person can emigrate to the United States. The U.S. Government is bound to permit the entry of at least 20,000 people annually. If there are not enough people who meet the legal requirements to be accepted as immigrants, as it happens in practice, U.S. authorities use a lottery as a way to select those who will be permitted to emigrate to the United States. This has made it possible to admit the number of people desired as immigrants in the first and the second year. In addition, this makes it possible for any person to emigrate, provided he is selected by this system. Any person can be included in the number of people who could obtain a U.S. visa." [end recording]

Another subject discussed with De Cossio is the rumors spread by southern Florida radio stations of an illegal, mass departure of Cubans permitted by Cuban authorities:

[Begin De Cossio recording] "These rumors have been disseminated by the Cuban-American mafia in Miami, a mafia which has stated officially that it firmly opposes any and all immigration agreements and everything that could lead to the normalization of relations between Cuba and the United States. Because this immigration agreement is the first, true instance in a confrontation issue in which there is an important inclination to normalization, they fabricate and disseminate these rumors to counter this trend. The assertion of the rumor is completely false. Every possible measure has been adopted in Cuba to prevent a disorderly emigration, such as the rafters' emigration, to the United States. The U.S. Government has told us publicly and officially that it is preventing this from happening, and it is making good on its word. The U.S. Government has been acting seriously to ensure fulfillment of the immigration agreement." [end recording]

De Cossio also has spoken about the relationship between the purpose of these rumors and the provision of the Helms-Burton law in case a new emigration crisis between the two countries arises:

[Begin De Cossio recording] "According to the law, if a disorderly and illegal emigration from Cuba to the United States takes place, the U.S. Government could regard it as a threat to its national security and react to this threat militarily. Those who have drafted the law deliberately included this clause because they are not interested in a peaceful transition (according to the law) but in a military conflict between Cuba and the United States. Should they attain the law's purpose and bring about a complete economic and social crisis in Cuba, which could lead to an uncontrolled, large-scale emigration, they would have succeeded, because the United States would react to this social crisis in Cuba—that is, this uncontrolled emigration—with military action. As everyone knows, however, this law, just as the Torricelli law and others before it, will fail. It has already been announced that although the Helms-Burton law was approved in March, the Cuban economy grew by 9.6 percent in the first semester; this is surely a formidable achievement by an economy that had been in a critical condition, which has been true of ours in the past few years.

'Instead of a social and economic crisis in this country, we have experienced, although slightly, an economic

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recovery, a social revival, and, therefore, a political, economic, and social strengthening of the country in general. This is the opposite of what the Helms-Burton law intends, contrary to the emigration that the lawmakers would like to provoke to bring about a military confrontation between Cuba and the United States or a military aggression from Cuba or from the United States." [end recording]

Cuba: Commentary on Ethics Code for Government Officials

PA2507190996 Havana Radio Rebelde Network in Spanish 1700 GMT 18 Jul 96

[Commentary by Orlando Contreras; from the "National Radio News" newscast]

[FBIS Translated Text] The Ethics Code for Cuban Government Officials, which has just been approved and adopted as the standard of proper behavior, represents one of the wisest decisions that the Revolution has made in recent times. Measures that are essential to confront present realities, and measures which have made it possible for the Cuban nation and its project to successfully confront difficulties that looked insurmountable, could end up devoid of the contents and purpose for which they were created if they lead to behavioral actions that undermine the social consensus.

The people have resisted difficulties and very trying economic shortages because they are sure that only socialism can protect their genuine interests. However, because corruption and impunity would be offensive to the people after this titanic effort and the measures that have been adopted to preserve and develop this project, no corrupt officials will be allowed to prosper with impunity. No person or family will be allowed to profit from the instruments that the state has put at their disposal to carry out efficiently the tasks entrusted to them.

I wish to point out the following from comrade Carlos Lage's meaningful words during the official ceremony to approve the Ethics Code of Cuban Government Officials:

It is necessary to keep in mind that when, for example, firmness, and honesty are absent, a socialist revolution can be destroyed from within without the sound of weapons or fighting. If we carefully study the process that culminated with the disappearance of the Soviet Union and the collapse of socialism in Europe, several factors can be observed that explain this collapse. The first was the gradual and progressive loss of the essential, close, and permanent relationship with workers and the people. Bureaucracy talks with its paperwork, not to the masses, and this is incompatible with socialism. This underestimation of the people paves the way for corruption, ominous privileges, vexing ostentation. This is why the adopted decision and its practice by all Cuban government officials in everyday life is so important. To our keep ears open to the people's feelings sums up the behavior that history points out for us and is the challenge of today and tomorrow. That the homeland is an altar rather than a pedestal were not Jose Marti's most beautiful expression. It was his life, his everyday example, and his championship in the most essential sense of the word.

Cuba: Radio Havana Dialogue on Helms-Burton Law

PA2507163996 Havana Radio Havana Cuba in Spanish 0245 GMT 20 Jul 96

["Dialogue Between Colleagues" segment featuring Orlando Matos and Pedro Martinez Pirez; from the "Evening Information Review" newscast on 20 July — live or recorded]

[FBIS Translated Text] [Matos] How are you, my friends? We are again accompanied by our colleague Pedro Martinez Pirez in this segment. I greet him. Pirez.

[Martinez Pirez] Greetings, Matos. Greetings also to the listeners of Dialogue Between Colleagues.

[Matos] Pirez, as we promised our listeners, I believe we can continue to discuss the way in which the U.S. Administration is handling its monstrous law, the Helms-Burton law. I specifically think we could discuss today the new U.S. strategy or policy of trying to include the international community in its anti-Cuban efforts, particularly the Europeans and the North American allies.

[Martinez Pirez] Matos, I believe we must recall, as it was done by Ricardo Alarcon, president of the National Assembly of the People's Government, that Cuba opposes everything about the law, from the title to the last word. Obviously, President Clinton's action can be politically analyzed based on his dilemma, to approve it or not approve it. However, there is absolutely no doubt that this is essentially an illegal action and, of course, Clinton's decision does not settle the basic issue for Cuba or the world.

[Matos] Exactly. However, Pirez, I think that, in this case, enforcing Title III but not formally filing charges at the U.S. courts against the enterprises that, quote, traffic with U.S. assets confiscated here in the island, unquote, also entails a maneuver, a half-way step in an attempt to please everyone. This is, according to analysts, typical of Clinton. However, Pirez, in my opinion, this has a dangerous edge to it which reveals the degree of

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the U.S. authorities' brazen interventionism. The idea now is to create some kind of detente for six months, mainly based on the allegation that the Europeans will help democratize the island. Pirez, there are practically no words to describe this because it is tantamount to blackmailing its allies on the other side of the Atlantic and, why not, its North American allies. The latter will be subject to what we can describe as an aptitude test in these six months before deciding if Title III if fully implemented or not.

[Martinez Pirez] Nevertheless, Matos, remember the U.S. Congress not only discussed and approved the Helms-Burton law against Cuba. It is also discussing and approving a law against Iran and Libya, which the Senate has already approved unanimously. I believe this was done two or three days ago.

[Matos] Yes.

[Martinez Pirez] In other words, you cannot invest more than $40 million a year in the gas and oil sectors. This made Europe, and also Japan, realize that the Helms-Burton law is but one of the laws, the series of laws I would say, that the United States has begun to implement in an attempt to impose its will on the world.

[Matos] This is tantamount to legalizing its hegemony.

[Martinez Pirez] Exactly.

[Matos] Obviously, I mean, quote, legalize, unquote. No?

[Martinez Pirez] All this is closely linked with the economy, investments, and trade. I think this is where the greatest battle is being waged; and where, in my opinion, Europe will not give in throughout these months. Europe will not be easily deceived by the United States' electoral remarks because it knows that the United States' true interest goes beyond the November elections and beyond President Clinton. These interests are much more lasting than Clinton, a Democrat government, or a Republican government.

Matos, I believe that this is the essence of the current situation and this is what proves the international public has not been appeased by this, let us say, Solomonic gesture from President Clinton to postpone six months the filing, let us say, of charges against Cuba at the U.S. courts. This would obviously affect all the countries in the world.

[Matos] Pirez, I think that, aside from what is perceived as a new fiasco of the U.S. Administration's policy against Cuba — in my opinion, it will be impracticable for the Europeans to endorse such a basic example of interventionism in Cuba's autonomy, sovereignty, and self-determination — we must also take into consideration the Cuban position. Obviously, as you said earlier, Cuba has flatly rejected and will continue to reject the law as a whole. Furthermore, it rejects and does not admit — this has been clearly stated throughout the years of the revolution and it has been recently stated in an even stronger manner, given the U.S. authorities' obvious interventionism — any form of pressure or blackmail, regardless of the source, to change political guidelines that have been determined in a sovereign manner by a whole nation. In other words, regardless of these irrational monstrosities created by minds that should be better used for the advantage of their own people, Cuba will never allow any pressure to change precisely what the Cubans have politically and economically achieved in a fair manner.

[Martinez Pirez] Matos, I think Cuba's position is clear. The world's position is the one being debated right now. I think any observer will realize that because this is a blockade that has been implemented against Cuba for practically 35 years.

[Matos] Yes.

[Martinez Pirez] The Torricelli law

[Matos, interrupting] Practically, yes.

[Martinez Pirez] The Torricelli law has been in effect for four years.

[Matos] This law has practically been completely forgotten.

[Martinez Pirez] Exactly. It has obviously been forgotten because the Helms-Burton law now... [pauses] Even though it takes the Torricelli law's extraterritorial character it is nevertheless much more aggressive, harmful, and offensive, not only for Cuba but, let us say, for the sovereignty of all the countries in the world. Now then, I wanted to insist on the idea that the world is currently subject to a U.S. test. Obviously, it is a matter of deceiving them with the issue of democracy in Cuba and, in my opinion, the United States will now try to maneuver before February and seek some kind of alliance between Europe and the United States to exert pressure on Cuba, based on the implementation or not of the Helms-Burton law's Title III.

[Matos] A new version of the carrot and the stick policy, with an economic component. Pirez, we cannot forget the United States is seeking, first of all, a reduction in the Europeans' aid, not their humanitarian aid, but certainly their cooperation with Cuba. Pirez, unfortunately, we have run out of time. We promise our listeners that this will not be the end of this topic. It must be followed up.

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[Martinez Pirez] But this will be done in another Dialogue Between Colleagues.

Cuba: Spanish Communist Party Leader Meets Robaina

PA2507155296 Havana Radio Havana Cuba in Spanish 0000 GMT 23 Jul 96

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Cuban Foreign Minister Roberto Robaina received in Havana the secretary general of the Spanish Communist Party, Francisco Frutos, a meeting during which their solid bilateral ties were reaffirmed.

The Cuban foreign minister said the island wishes to maintain normal relations with Spain regardless of the political ups and downs and described as a demonstration of friendship the visit the Spanish communist leader has been paying to the country since 18 July.

Francisco Frutos said the Spanish Communist Party respects the Cuban political process and said he has been able to note the island's economic recovery despite the effects of the Helms-Burton law, which he condemned.

During his stay in the island, Francisco Frutos met with leaders of the Cuban Communist Party and with Cuban Economy and Planning Minister Jose Luis Rodriguez.

Cuba: Special Sugarcane Agricultural Work Period Convoked

PA2607034396 Havana Cubavision Network in Spanish 0000 GMT 24 Jul 96

[Report by Hilda Suarez from the "NTV" newscast]

[FBIS Translated Text] The CTC [Cuban Workers Federation] has convoked a special sugarcane agricultural work period [words indistinct] upon learning of the situation of the [words indistinct] of the plantations.

The convocation came following the statements by the sugar industry minister in which he explained the current weeding condition of approximately 13,000 caballerias planted with sugarcane and the effort required in other tasks during the spring months.

Sugarcane workers and mobilized forces will soon begin this special period of work, which will begin on 13 August and conclude on 30 September, when [words indistinct] climate and planting has been achieved:

[Begin unidentified speaker recording] The battle must be, however, to weed all sugarcane fields. [end recording]

Another of the issues discussed during the second [words indistinct] CTC was the labor union membership of self-employed workers, who number 200,000. The registration process is taking place in all provinces, and the participation of these forces in labor union activities is being assessed.

Cuba: Ramon Castro's Book on Cuba's Sugar Industry Viewed

PA2507172396 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 20 Jul 96

[From the "NTV" newscast]

[FBIS Translated Text] In Holguin, a book on the fundamental problems in Cuba's sugar industry was discussed today with the participation of its author, Ramon Castro Ruz. There are three chapters in the book; technical aspects of growing sugarcane, the harvest, and the sugarcane industry and industrial yields that affect it.

According to Ramon Castro, this material will be successful in a technical, economic, and administrative sense, in as much as the book is thoroughly discussed. It boldly criticizes procedures and habits that still hinder potential sugarcane yields. The book also defends new technological methods. No doubt this book will contribute somewhat to the achievement of a true recovery in the sugarcane sector, if the experience it contains is taken into consideration. The experience that comes from a man who knows what he is talking about.

Cuba: Slow Progress of Self-Sufficient Farms Reported

PA2507172096 Havana Radio Rebelde Network in Spanish 1155 GMT 20 Jul 96

[From the "Doing Radio" program]

[FBIS Translated Text] Vice minister of Agriculture (Omelio Borroto), reported that the program aimed to complete 2,000 self-sufficient farms, including water supply and cattle pens, is progressing slowly this year.

During a meeting to give incentives to Havana's cattle farmers held at the Nina Bonita farm, participants stated that the best milk production and reproduction results were reported in dairy farms that have achieved proper handling of pasture fields, sugarcane supply, stable milling, and king grass feed, among other things.

Currently, 20,000 pairs of rubber boots are being distributed in the sector, and a similar amount will be purchased, as well as quality and sturdy clothes. Although not all problems have been solved, more efforts have been made to improve the workers' well-being.

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Cuba: Matanzas Oil Enterprise Preparing To Drill 2d Well

PA2507165196 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 19 Jul 96

[From the "NTV" newscast]

[FBIS Translated Text] The Matanzas central oil enterprise is preparing to begin the drilling, using its own resources, of the second well planned for this year. A team of 46 workers is completing the installation of the Soviet-made drilling tower, which is still working properly even though it is obsolete and has been in use for 10 years.

Workers are planning to drill almost 2,300 meters deeper into the (Mastresvente) well, with 16 degrees of incline. This job is a complex one that will provide great economic benefits. They will be able to take advantage of an existing [word indistinct] and will search for oil under a swampy area located 340 meters north that is difficult to access.

Studies indicate the possible existence of hydrocarbons in the target, but nothing is ever certain until the end. Workers who are used to uncertainty and see it as one more challenge are preparing for 90 days of continuous day and night drilling.

Cuba: Machado on Party's 'Ties With the Grass Roots'

PA2507183796 Havana Radio Rebelde Network in Spanish 1155 GMT 23 Jul 96

[From the "Doing Radio" program]

[FBIS Translated Text] Politburo member Jose Ramon Machado Ventura presided a meeting that ended the first cycle of the party's municipal assemblies in Pinar del Rio province.

During an interview with our correspondent Jose Cabrera Peinado, Machado stated that there has been progress in the assembly process, and more vitality in the party. He said that the goals have been met, militants have talked about the concerns in their provinces, and have critically and responsibly questioned different issues while keeping a positive spirit.

Machado stated that he believed that the party's assessment meetings throughout the country have shown the party's energy and greater ties with the grass roots.

Cuba: Road Repairs Delay To Affect Coffee Transportation

PA2507172196 Havana Radio Rebelde Network in Spanish 1155 GMT 20 Jul 96

[From the "Doing Radio" program]

[FBIS Translated Text] The Construction Ministry is late in repairing the roads that must be used to transport the coffee collected during the current harvest, which has just started in Santiago de Cuba.

The province hopes to harvest over 2.5 million tins of coffee. To achieve this goal, workers are making big efforts to avoid the unanticipated and organizational problems that happened during the last harvest.

Coffee is the main foreign currency producer in Santiago de Cuba's agricultural sector, however, the province is still far from reaching its production potential of 4 million tins of coffee, due to prevalent condition of the coffee fields.

Hopes for a boost in the current coffee harvest are high.

Cuba: Translators To Award Scientific Prize for First Time

PA2507160296 Havana PRENSA LATINA in Spanish 1756 GMT 23 Jul 96

[FBIS Translated Text] Havana, 23 Jul (PL) — Ivan Otero, a member of the Executive Committee of the Cuban Association of Translators and Interpreters [Asociacion Cubana de Traductores e Interpretes] (ACTI), today reported that, this year for the first time, the ACTI will award a national scientific and technical translation prize.

According to what the ACTI official told PRENSA LATINA, the awarding of this prize, which will be awarded in October and handed out in November, shows Cuba's progress in this field.

Otero pointed out that, in Cuba, translation services are led by the Translation and Interpretation Services Team [Equipo de Servicios de Traduccion e Interpretacion] (ESTI), which works with the largest number of languages.

However, he stressed that, given the quality of Cuban professionals, the ESTI is beginning to be pressured from similar institutions, such as the Center for Translation and Special Terminology [Centro de Traducciones y Terminologia Especializada], which is an institution highly qualified in scientific and technological translation.

Cuban professionals, who formed the (ACTI) in 1994, have overcome the economic difficulties Cuba has

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experienced in the last few years and are currently rendering a highly qualified and professional service.

Evidence of this, Otero went on, is the emergence of a new version of Autolex, which is a Cuban information program used to manage terminological data and is very useful for specialists.

Haiti

Haiti: U.S. Military Engineers To Implement Training Plan

PA2507231796 Port-au-Prince Signal FM Radio in Creole 1130 GMT 25 Jul 96

[From the "0730 Appointment" newscast]

[FBIS Translated Excerpt] More than 160 U.S. military engineers arrived in Haiti on 24 July. These military personnel will implement a training plan in Haiti that will last seven to 10 days, according to Ambassador William Lacy Swing who has said that these troops are not part of the UN Support Mission in Haiti and that they have not been ordered to establish a safe and secure environment in the country. Their mission, the U.S. ambassador has said, pertains strictly to training exercises, supporting the U.S. military personnel while they carry out their various duties in the country.

Swing has confirmed that other missions will arrive in Haiti in line with the U.S. technical assistance. [passage omitted]

Haiti: Maneuvers To Destabilize Country Confirmed by Preval

PA2507190696 Port-au-Prince Radio Vision 2000 in Creole 0930 GMT 25 Jul 96

[From the "News Here and There" newscast]

[FBIS Translated Text] President Rene Preval confirmed on Wednesday, 24 July, that maneuvers are being made in order to destabilize the country, maneuvers aimed at preventing the government from getting the economic means to implement its policy. Preval pointed out that the situation we are experiencing today is very similar to the one the country experienced in 1991 before the coup d'etat. Let us listen to the statements of President Preval.

[Begin Preval recording, in French] [words indistinct] comparison, for instance, between 1991 and 1996. When we went to Paris in 1991 to sign with the IMF to get the $500 million [words indistinct] at that time. There are forces that want to prevent our movement... [pauses] the Haitian people, from getting the economic means to set up their policy. I can compare this to times when we have been discussing with the IMF. The same rumors of 1991 are springing up again. I believe that one of the problems linked to insecurity is the possibility of our movement to equip itself with economic means to implement its policy. [sentence as heard] [end recording]

Haiti: Commission To Present Report on Privatization

PA2507232596 Port-au-Prince Signal FM Radio in Creole 1130 GMT 25 Jul 96

[From the "0730 Appointment" newscast]

[FBIS Translated Text] The senatorial commission today will have to work on the bill on the privatization of state-owned enterprises. It will present its report to the assembly today. The commission secretary, Senator Paul Denis, has confirmed that the commission already has brought several modifications to the bill the executive has sent to the Senate. The parliamentarians were fervently working on the final touches of the bill on public administration reform.

Haiti: Bill on Resignations, Early Retirement Passed

PA2507232696 Port-au-Prince Signal FM Radio in Creole 1130 GMT 25 Jul 96

[Report by Jean-Pierre Leroy from the "0730 Appointment" newscast — passage within slantlines in French]

[FBIS Translated Text] Parliamentarians, particularly the Chamber of Deputies, late 24 July passed the bill on resignations and early retirement in public administration. The night of 24 July, the majority of 32 out of 46 deputies passed the bill on voluntary departure and the early retirement of employees in line with the public administration reform. The parliamentarians, who met with Economy and Finance Minister Fred Joseph and Planning Minister Jean-Eric Derice, showed much interest in having this bill passed at Parliament. The senators will have to work on these bills in the next few days.

Jean-Pierre Leroy reports.

[Leroy] In line with the reforms in public administration, 32 out 46 deputies last night passed the bill on resignations and early retirement of state employees. The deputies who opposed this bill did not speak at yesterday's session, which allowed the majority bloc to vote on 20 articles in less than four hours. This quick voting ended 18 days of waiting and is a victory for the executive.

In a spirit of unity, the majority of the deputies, including those who are for and those who are against, added two articles that will allow the Chamber of

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Deputies to control how the executive may implement these reforms. These articles will allow the Chamber of Deputies to require severe punishment against acts of corruption supposedly committed by state employees.

At the conclusion of the session, Finance Minister Fred Joseph expressed his satisfaction:

[Begin recording] [Joseph] /It is a big victory for democracy. I believe [words indistinct] that took us [word indistinct] hours; nevertheless, we eventually passed this law. We got this law passed./ This victory is one for the deputies, because it is a decisive step in their collaboration with the executive program, the executive program for the entire country. We believe it is something extremely important; it is a decisive step.

[Leroy] We know that the Senate Finance Commission is going to present its report. Is it official? Will you be present?

[Joseph] No, we have not been invited, but we also are aware of the fact that it will be presented tomorrow. We are ready. We will be there if it is necessary for them to convene us [words indistinct].

[Leroy] If the vote is taken quickly, will you have time to submit the necessary documents to the IMF board on 26 or 29 July? Is there a delay limit regarding the deadline?

[Joseph] We are looking into that matter, trying to determine how they vote. They must take their time; we do not know. They are an autonomous, independent organization. We respect their working pace.

As for the other issues, we will discuss them with the international partners, because we cannot do something not in line with what the institutions in the country can do. In this regard, the laws must be passed. Their vote takes time. [end recording]

[Leroy] This bill was passed four days before the deadline for the government to present the document to the IMF board. The Senate Finance Commission this morning will present its report on the bill on the privatization of state-owned enterprises.

Haiti: Preval on Release of LeCorps, Jean Ronique Antoine

PA2507232896 Port-au-Prince Signal FM Radio in Creole 1130 GMT 25 Jul 96

[From the "0730 Appointment" newscast]

[FBIS Translated Excerpt] The Haitian head of state has reacted to the release of two defendants. Preval has said the release of Robert LeCorps and Jean Ronique Antoine is a shame for Haitian justice. According to Preval, the case was not prepared properly:

[Begin Preval recording] The Haitian judicial system has been given a slap in the face, or the Haitian department of justice has given itself a slap in the face. This matter is one of concern for the people in charge of monitoring justice in Haiti. I believe the justice minister is the one concerned by this issue [words indistinct] I followed the trial on television like everyone else. I am angry just like the majority of the Haitian people. I am worried just like the majority of the Haitian people. What has happened regarding the pharmaceutical products is similar to what has happened with justice. Cough syrup makers have delivered tainted drugs on the market. Likewise, a judicial system has put assassins on the streets. The government has assumed its responsibility regarding the tainted drugs. It must assume its responsibility as well regarding the assassins put on the streets. [end recording]

Justice Minister Pierre Max Antoine has said he agrees with President Rene Preval on the release of Robert LeCorps and Jean Ronique Antoine. The justice minister has acknowledged that Haitian justice needs to be reshuffled. According to the minister, there is corruption within the judicial system. [passage omitted]

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Mexico: Payments to U.S., IMF Ahead of Schedule

PA2607014796 Mexico City Radio Red Network in Spanish 2300 GMT 25 Jul 96

[From the "Night Monitor" newscast]

[FBIS Translated Text] In the wake of the behavior of the Mexican financial market this Thursday—that is, a slight drop in the Mexican stock market, the exchange rate stability, and some other news on interbank rates that we reported yesterday—the Mexican Government made an important announcement regarding payments made ahead of schedule to the United States and the IMF to amortize the several millions of dollars loaned to Mexico several months ago so Mexico could overcome an unprecedented economic crisis after the devaluation of the national currency. The Finance Secretariat has announced a new payment made ahead of schedule.

On 18 June, the Finance Secretariat announced that a $3 billion obligation would be contracted by placing bank securities in several financial markets so Mexico could make a payment ahead of schedule to the U.S. Treasury to amortize the loan granted to Mexico so this country could overcome the 1995 financial crisis. The Finance Secretariat has announced that due to the demand for and the good acceptance of Mexican papers, a situation which reflects confidence in the development of the Mexican economy, Mexico will be able to obtain $6 billion, twice the amount originally proposed. This will make it possible for Mexico to increase the amount of the payment made ahead of schedule to the U.S. Treasury and to make a payment to the IMF, which also loaned money to Mexico to tackle the same problem.

The Finance Secretariat has announced that the Mexican Government will repay $7 billion to the U.S. Government thanks to this refinancing mechanism and other resources already obtained, leaving the balance of the debt at $3.5 billion. In addition, the payment ahead of schedule to the IMF will be for $1 billion, leaving a balance of $12 billion. The Finance Secretariat also has announced that the U.S. Treasury loan replaces an emergency financial package granted early in 1995 with a market financing that represents, as we said, the assurance of Mexico's return to the international capital market and a demonstration of confidence. Furthermore, the Finance Secretariat has announced that this operation sets ahead of schedule the payments due in 1997, 1998, and 1999.

The secretariat has announced that the two payments will not affect the Bank of Mexico's international reserves.

Mexico: Secretary Clarifies Statements on U.S. Overflights

PA2507204496 Mexico City XEW Television Network in Spanish 0330 GMT 25 Jul 96

[Report by Gabriela Resendez; from the "24 Hours" newscast]

[FBIS Translated Text] Foreign Relations Secretary Jose Angel Gurria responded in Mexico City to statements made by Lawrence Summers, U.S. under secretary for international affairs, who reported to congressmen in Washington, D.C. that Mexico had granted a special permit to allow U.S. counternarcotics planes to overfly certain parts of its territory. Lawrence Summers described the alleged permit as a significant achievement. Secretary Gurria, however, pointed out that there is nothing new in the Mexican regulations for foreign overflights.

[Begin Gurria recording] Regulations for foreign flights over Mexican territory were established long ago. They include, in certain cases, emergency landings and logistics support when required, but permits must be requested ahead of time. These regulations were defined, as were the functions of each one of the Mexican institutions, according to the type of planes involved. There is nothing about that subject that was not approved. [end recording]

Secretary Gurria was interviewed after a meeting with the visiting Bolivian Vice President.

Mexico: Zedillo Meets With Human Rights Committee

PA2607023096 Mexico City XEW Television Network in Spanish 0330 GMT 25 Jul 96

[From the "24 Hours" newscast]

[FBIS Translated Text] President Ernesto Zedillo has met with the members of the Inter-American Human Rights Committee [CIDH], presided over by Dean Claudio Grossman, at Los Pinos Residence. This committee is part of the OAS. It has concluded a visit to the Mexican republic at the invitation of President Zedillo to observe the human rights situation in Mexico.

During the meeting, President Zedillo reiterated his government's commitment to promote, protect, and respect human rights. Claudio Grossman recognized the atmosphere of liberty with which they were able to work in Mexico.

During the visit, the CIDH met with high-ranking, federal officials as well as with high-ranking officials from the states of Chiapas, Guerrero, and Baja California, and representatives of various sectors of Mexican society. At

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the end of their visit, they reported their conclusions. Among them are:

1) The committee views as positive the presence of human rights on the agenda of the government and Mexican society.

2) Mexicans have a great mistrust of the police force, and there are complaints about the police's inefficiency, corruption, arbitrary detentions, and torture.

3) The CIDH recommends that courts do not consider confessions under torture as evidence, which in Guerrero State are used as a police method.

4) In Mexico, impunity is a serious problem even though officials who have violated human rights have been tried in certain cases.

5) There is inefficiency, slowness, and partiality on the part of officials from courts and prosecutor's offices.

6) The CIDH spotlights the effort exerted by the federal district attorney general, who is conducting an interesting program to purge and educate the police force.

7) As for the case of Aguas Blances, where 17 peasants were killed, no criminal prosecution has been undertaken.

8) Regarding Chiapas, the CIDH will investigate reports of intimidation, dislodgement, homicide, kidnapping, and other human rights violations.

9) The CIDH will draft a report on migrant workers and their human rights, based on observations made in Baja California State, along Mexico's northern border.

Mexico: Agriculture, Fisheries Financial Program Launched

PA2607034496 Mexico City XEW Television Network in Spanish 0330 GMT 24 Jul 96

[Report by Rita Ganem from the "24 Hours" newscast]

[FBIS Translated Text] President Ernesto Zedillo on 23 July launched the Agriculture and Fisheries Financial Support Program with the objective of strengthening government actions to fight economic and social backwardness in the Mexican countryside. The program includes relief measures for debtors and fresh resources to provide farmers with new capital.

During a ceremony at the Honors Courtyard of the National Palace, Finance Secretary Guillermo Ortiz revealed the main points of the agreement between the federal government and the banking industry:

1) Discounts will be made on the monthly payments of debtors who are up to date or update their payments:

[Begin Ortiz recording] "There will be 40 percent discounts for those debtors holding loans of up to 500,000 pesos. For larger loans, the discount will decrease gradually. For loans above 4 million pesos, the maximum discount will be 800,000 pesos; that is, 20 percent." [end recording]

2) Such discounts will remain constant for a period not to exceed 10 years.

3) Starting in September, when the program takes effect, debtors may participate in a credit restructuring program that suits their needs:

[Begin Ortiz recording] "Debtors who decide to restructure their loans in UDI's [investment units] will receive the additional benefit of yearly interest rates between 7 and 7.5 percent." [end recording]

The program's 15 billion pesos cost will be absorbed over several years by the federal government and the banking industry, said President Zedillo:

[Begin Zedillo recording] "Thanks to the country's positive, economic reaction, we can offer substantial support to agricultural debtors to manage their payment problems." [end recording]

Jose Madariaga Lomelin, president of the Mexican Association of Bankers, has criticized those who are taking advantage of the current situation by not making their payments on purpose:

[Begin Madariaga recording] "We understand the risk implied in the activities we support today. We are aware of the risk, because we are businessmen, but what we do not understand nor condone is the avoidance of one's obligations, because this would be an illegal act of impunity." [end recording]

Other speakers at the ceremony were: Sinaloa Governor Renato Vega Alvarado; (Ignacio Iris Salomon), coordinator of the Permanent Agrarian Congress; Jose Bonilla Robles, president of the National Confederation of Rural Property Owners; Cesar Gonzalez Quiroga, president of the National Confederation of Cattlemen; and Beatriz Paredes, head of the National Peasant Confederation.

Afterward, President Zedillo closed the 13th Assembly of the National Agricultural and Livestock Council at Los Pinos. He swore in the new board of directors, headed by Miguel Castro in replacing Jorge Mason. The president has commented on government actions in favor of the rural sector and has said the Mexican countryside has a new judicial framework that builds trust, because it guarantees all forms of property.

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Mexico: Deposits at Commercial Banks Drop by 2.2 Percent

PA2607022996 Mexico City EL FINANCIERO in Spanish 23 Jul 96 p 6

[Report by Alicia Salgado — received via Internet]

[FBIS Translated Text] During the first half of this year, the amount of deposits at commercial banks dropped by 2.2 percent while financing for public and private sectors maintained a decline of 9.7 percent.

According to the Financial Activity Report for the Month of June of the Bank of Mexico [Banxico], lower deposits and financing reflect the austerity of the monetary restriction policy.

The balance of the monetary basis went from 66.8 billion pesos in December 1995 to 61.6 billion pesos last June. This represents a decline of 20 percent. The annual variation (June 1995-June 1996) decreased by 0.6 percent even though it went from 47 billion pesos to 61.6 billion pesos during this period.

During the first half of this year, international reserves decreased by 3.1 billion pesos from a total of 120.3 billion pesos to 117.2 billion. Meanwhile, net international assets went from a negative balance of 300 million pesos to an accumulated positive amount of 12.2 billion pesos.

In addition, Banxico's net internal credit (the difference between the monetary basis and net international assets) dropped by 36.2 percent during the first half of this year when it went from 67.1 billion to 49.4 billion pesos.

Money in circulation (bills and currency in addition to checking accounts in the hands of the general public) registered a decline of 6.3 percent when it went from 165.4 billion pesos in December 1995 to 178.7 billion pesos in June because of a reduction of bills and currency in circulation amounting to 4 billion pesos, which became effective during this period.

Regarding financial deposits through banking instruments, governmental and private securities, SAR [Retirement Savings System], the broadest monetary aggregate or M, their balance went from 880.1 billion pesos in December 1995 to 997.7 billion in June 1996, a reduction of 1.7 percent during this period.

It should be noted that deposits at commercial banks dropped by 2.2 percent when they went from 566.6 million pesos to 638.7 million pesos during the first six months of this year while deposits through governmental securities dropped by 0.3 percent during this period.

As for overall deposits and taking nominal flows into account, an increase of 97.5 billion pesos was observed during the first half of this year as well as an increase of 171.8 billion pesos between June 1995 and June 1996, an increase of 32.2 percent in nominal terms.

Regarding deposits, promissory notes with a liquid yield at maturity remain the main banking instrument followed by interest bearing checks and deposits in banking bonds.

Banxico has reported that financing for commercial banks went from 786.1 billion pesos in December 1995 to 818.7 billion pesos in June, a reduction of 9.7 percent during the first half of the year.

Out of the 818.7 billion pesos in loans that have been granted, 737.6 billion were for the private sector.

During the first half of this year, financing increased by only 33.8 billion pesos, which means that less than one-third of the increasing effective flow of deposits at commercial banks was directed to finance the economy.

During this period, interest rates registered an average reduction of 20.5 percentage points, placing the real term yield at 13 percentage points.

Mexico: Informal Sector Activity Reported

96P20472A Mexico City EL FINANCIERO in Spanish 23 Jul 96

[By Edgar Amigon: "'Illegal' Economy Surpasses Formal Economy for the First Time" — received via Internet]

[FBIS Summary] According to a report by the Assembly of Representative's Economic Development Committee, for the first time in Mexico's history the number of workers in the informal sector is greater than those in the formal sector. It is estimated that informal sector sales generate 4 percent of the GDP, or 90.4 billion pesos. Informal sector profits equal 1.6 percent of the GDP, or 36.160 billion pesos.

In the first half of 1996, 24,893,000 people were unemployed or underemployed, out of an economically active population totaling 36,500,000. The report explains that in 1995, 850,000 formal sector jobs were lost when 15,600 enterprises shut down, thereby forcing job seekers into the informal economy.

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El Salvador

El Salvador: Increase in Heroin Traffic Detected

96P20468A San Salvador EL DIARIO DE HOY in Spanish 20 Jul 96 p 1

[Received via Internet]

[FBIS Summary] Until recently, heroin was virtually unknown in El Salvador. However, in the past five months, airport police have arrested three Colombians and a Salvadoran who were carrying heroin tablets in their stomachs worth 1 million colones. The first heroin possession arrest occurred in 1993. Adrian Antonio Rodas Guevara was arrested, convicted of possessing heroin, and sentenced to eight years in prison. Due to the fact that this was the first heroin possession conviction in the country, he appealed the verdict. His conviction was eventually upheld by El Salvador's Supreme Court.

Honduras

Honduras: Military Role in Economic Stability, Safety

96P20466A

[FBIS Report] On 7 July, San Jose LA NACION reported that 2,000 soldiers were deployed in Tegucigalpa and San Pedro Sula to help fight crime. The report said that because of the military's presence, criminal activity has slowed down. A 9 July San Pedro Sula LA PRENSA editorial, however, opines that as a result of the elimination of obligatory military service, the Armed Forces have been decimated and therefore, the possibility of covering extensive areas to help fight crime is little more than an illusion.

The editorial claims that inflation and depreciation have risen substantially the first semester of 1996. In addition, a climate of unease, violence, and crime has dramatically increased creating the impression that the government cannot guarantee the people's safety and raising questions of whether the country can be governed. Given the crime levels and economic situation, the nation's stability is being seriously threatened.

The article goes on to say that the decision to create a civilian police force has been postponed and even with such a force, no one can guarantee that a new organization, lacking experience and possible limited financing, given the economic situation, could successfully confront the criminal element. Therefore, the responsibility to defend Honduras from this wave of crime and violence falls on all economic and social sectors of which the military must be a part. The article argues that the political obsession of some groups to minimize the military is a mistake as the military is well-organized, trained, disciplined, and experienced in providing security. Although the troops are not professional policemen, their presence on the streets, after receiving intensive training and the proper equipment, is seen as an obvious deterrent to criminals. The article concludes that it is the responsibility of both the government and free enterprise to provide economic support, and that society as a whole should support the military in its new role as guardians of order and security.

Nicaragua

Nicaragua: D. Ortega Explains Concept of New Government

PA2607000996 Managua BARRICADA in Spanish 20 Jul 96 p 2

[Report by Carlos Garcia Castillo]

[FBIS Translated Text] Daniel Ortega, presidential candidate of the Sandinist National Liberation Front [FSLN], yesterday proclaimed a policy of national convergence aside from the extreme right and left. He urged all of the social sectors to form a broad front to end this country's difficult situation.

As the highlight of the huge ceremony of masses to commemorate the *17th anniversary of the victory of the Sandinist People's Revolution*, Ortega explained the FSLN's concept for its new government after it defeats Somozism on the upcoming 20 October elections.

Yesterday's crowd exceeded the capacity of the Revolution Square. As in 1979, tens of thousands of Nicaraguans, who actually crowded in to acclaim their candidates at the inauguration of the FSLN electoral campaign, had to occupy every available place nearby: Central and Dario Parks, the theater gardens, the pedestrian crosswalks of the Grand Hotel, from Bolivar Avenue to the Gonzalez Theater, and even in front of the Jorge Navarro building and the northern bypass.

"Everyone here (other parties) has been seeking the center, but providence has given the center to the FSLN: We constitute the point of convergence that will obtain the votes of all the Nicaraguan people. As Sandino used to say: *Neither extreme right nor extreme left. A single front is our slogan!*, and a single front is the FSLN's slogan."

"It is within this single front that we invite all the Nicaraguan people—the small, medium, and large producers, businessmen, national investors—to join us in taking this country out of its misery, in eliminating the hunger, unemployment, and lack of health care and education Nicaraguans are experiencing, and in producing

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and generating sources of employment. This is the reason for our alliance with the producer who is not a Sandinist but who has responded to our call," he said.

This broad front of Sandino and the FSLN will eliminate hunger and unemployment, he said. This broad front will defend national sovereignty.

After disclosing that national unity and convergence will be the FSLN's policy after it takes office, Ortega said his party will greatly respect the results of the 20 October elections.

The United States Will Respect the FSLN's Victory

"We must now go from house to house to explain to the Nicaraguans that the war will not occur again and that it vanished long ago, because the Nicaraguan people defeated it thanks to the resolve of Sandinists and the Nicaraguan Resistance soldiers since the *Sapoa Agreements* were signed," the main Sandinist leader said.

Ortega said the soldiers of both the resistance and the FSLN have proclaimed that they do not want to wage anymore wars, because they also are children of misery and hunger, and, therefore, are also children of the 20 October victory.

"We must explain to the Nicaraguan people that members of President William Clinton's government have clearly stated that they will acknowledge the electoral results and will deal with us should the FSLN win. We Sandinists can tell the United States that we are ready to continue working with them within respect, equality, and justice."

For this very reason, Ortega said, the FSLN is taking important measures to establish an office in Miami also because those who have left, a large majority, have done so for financial problems and not because they are enemies of the revolution.

"Who has no relatives in the United States? We must tell the Nicaraguans residing in that country that the fatherland is theirs and that we will defend their right to reside in that nation if they decide to stay there," he added.

The Sandinist presidential candidate said Nicaraguans do not want Somozist liberalism anymore. He urged his party members to preserve the good from the Sandinist government and the current administration in order to work for the nation's stability and peace.

"It cost many sacrifices to defeat the liberal Somozist dictatorship. We are confident the Nicaraguan people will not risk what has been accomplished amid difficulties at the upcoming elections," Commander Daniel Ortega said.

Respecting Electoral Results

In this regard, Ortega cited the latest pastoral letter from bishops demanding ethics in the electoral campaign, and he proposed Cardinal Miguel Obando y Bravo as guarantor of a political agreement that affirms the elections and respect for the results.

"The respect for the electoral results is a new challenge," Ortega said. He invited all political parties supporting that idea, particularly the liberal Somozists, to commit themselves to respect the results of the vote count made by the Supreme Electoral Council and, fundamentally, so there will not be a revengeful attitude from the next government." [no opening quotation mark as published]

Ortega said those who are proclaiming electoral fraud, as of now, are those who feel they are losers. Those who anticipate they will lose "are those who want to arbitrarily disavow what the laws and Constitution establish," Ortega said.

After urging FSLN supporters "to recover all that is good and to discard all that is bad from the Sandinist and the current governments," Ortega said the errors of the past must be put aside and buried. He added we must look "to a future that will give peace and security to all Nicaraguans, regardless of our ideologies and political thoughts."

"First, we must respect each other, respect the political beliefs of everyone. What is unacceptable are: the forces of the past coming here; the Somozist liberalism coming to try to eliminate the Army and Sandinists; taking the land away from peasants, lots away from residents, homes away from families; continuing the policies of unemployment, hunger, malnutrition.

"The FSLN represents the solution. Let the poor in Nicaragua not make the mistake of voting for unemployment and for more repression. The people will have in their hands the possibility of voting for more unemployment, more hunger, and more repression, or for prosperity, jobs, stability, peace, health, and education."

In the end, he insisted, however, that Nicaraguans will make the final decision when they cast their votes.

We are telling our brothers that it does not matter if they are members of other political parties, that it does not matter if they identify themselves with other ideologies. We are not asking you to give up those parties or ideologies. What we are telling them is: *If you are unemployed or going hungry, if you have health or education problems, if you are poor, even if you are a*

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member of another party, vote for employment, vote for peace, vote for education and health, vote for the FSLN.

Ortega called on Sandinists to nurture unity, love, fraternity, brotherhood, and in that effort, he said, we must welcome that brother who was distant, who was somewhere else and now wants to return to work with us in order to win these elections.

"May that not be a cause for envy, a cause to say: You are back. Let us rejoice if they return. The important thing is to incorporate and incorporate, and let us not permit anyone to bad-mouth our brothers.

We must preach by setting the example, the example set by those who have died for the liberation of our country. With that example, with the spiritual force of all of them, we are going to win the upcoming elections and are going to defeat the Somozist liberalism, Ortega concluded.

Nicaragua: Daniel Ortega's Ethics Proposal Rejected

PA2507183896 Managua LA PRENSA in Spanish 20 Jul 96 p 9

[Report by Denis Garcia Salinas and Cesar Ubeda Bravo]

[FBIS Translated Excerpt] Political leaders rejected Daniel Ortega Saavedra's proposal to draft an ethical agreement, with Cardinal Miguel Obando as guarantor, arguing that the Sandinists want to use the Catholic leader.

Wilfredo Navarro Moreira, leader of the PLI [Independent Liberal Party] of the Liberal Alliance, believes that "the Sandinists stole a print shop and other properties from the Catholic Church, and now they want to use the church in an electoral campaign."

Sandinist National Liberation Front [FSLN] presidential candidate Daniel Ortega Saavedra proposed on Wednesday that the political parties sign an "ethical agreement" to respect the results of the 20 October elections and said that the winner should set aside all "hunger for revenge."

In front of a multitude of people that gathered in the Plaza de la Republica since early morning to celebrate the 17th anniversary since the triumph of the revolution, Ortega proposed Cardinal Miguel Obando as "witness and guarantor" of the "agreement, which should be public."

Ortega said that all political parties have insisted in seeking the center, but that "Providence had granted the center to the FSLN" in the electoral ballots designed by the Supreme Electoral Council [CSE].

"Ortega speaks of Providence when he sent a priest into exile in a helicopter and his corrupt administration left more than 50,000 dead," liberal leader Navarro Moreira added.

After describing Daniel Ortega as an "opportunist and a demagogue," Navarro Moreira criticized him for not only wanting to use Cardinal Obando, but for also wanting to use the Catholic Church's symbols."

"The FSLN wants to use the symbols and colors of the Church's flag and the Ode to Joy. This is, they want to confiscate the Church's symbols and Cardinal Obando as well," Navarro Moreira said. [passage omitted]

Moreover, National Democratic Party (PND) leader Luis Sanchez Sancho said that Ortega Saavedra "is just one more candidate, and he is the person least indicated to establish election rules."

"I don't know if Daniel Ortega is the person indicated to speak about ethics because his administration caused 50,000 deaths, foreign interference, and Nicaragua was set back 30 years compared to the other Central American countries," Sanchez Sancho said.

Ortega Saavedra indicated that the Electoral Law clearly establishes the ethical rules of conduct for the electoral campaign. [passage omitted]

Nicaragua: Sea Delimitation Discussed With Residents

PA2507202796 Managua EL NUEVO DIARIO in Spanish 20 Jul 96 p 9

[Report by Carlos Eddy Monterrey]

[FBIS Translated Text] Foreign Minister Ernesto Leal visited on 18 July the two regions of Nicaragua's Caribbean coast accompanied among others by General Javier Carrion McDonough, National Army chief of staff, Lieutenant Colonel Manuel Rivas Guatemala, chief of the Nicaraguan Naval Force, and Marena [Environment and Natural Resources Ministry] officials.

In the morning, they were in Puerto Cabezas and in the afternoon in Bluefields where they met with representatives of the government and the regional autonomous council and others

In the two places, they discussed the border problems of Nicaragua's continental sea shelf, mostly between Colombia and Honduras, topics that are greatly related to the country's natural resources.

Leal invited the coastal residents to participate through their authorities in international forums with Foreign Ministry delegations to discuss the problems of sea delimitation in Caribbean waters.

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This is a reassessment of the problems, Leal stated. We are not just talking here of the 44,000 square kilometers of San Andres y Providencia but of our continental shelf, something that was mentioned in the new UN Convention on the Law of the Sea, which could be a minimum of 200 miles, and Nicaragua's could reach up to 350 miles.

Colombia is seeking to trim over 130,000 square kilometers from Nicaragua's continental shelf and leave the Caribbean Coast reduced to a mere beach area, Leal stated in Bluefields while explaining the current treaties with Colombia and Honduras. The latter deals with the delimitation at parallel 15.

Leal invited the area residents to participate through their representative authorities in the joint commission with Honduras and Costa Rica for the negotiation of the Caribbean continental shelf, and even in future negotiations with Jamaica, as well as to participate in international forums such as the Association of Caribbean States.

The audience in the place where the meeting was discussed greatly applauded the invitation.

The meeting was very fruitful, the foreign minister stated in brief remarks to this newspaper before departing for Managua. We discussed our views on different topics and agreed to do a follow-up through a commission of the RAAS [South Atlantic Autonomous Region] and the Foreign Ministry. We also agreed on the participation of the two Atlantic regions in the problems of the delimitation of Nicaragua's continental shelf.

Panama

Panama: Official Meets With PDC on U.S. Bases' Permanence

PA2607014696 Panama City Circuito RPC Television in Spanish 2300 GMT 25 Jul 96

[Report by Jahiro Polo from the "RPC Television News" newscast]

[FBIS Translated Text] The foreign minister has met with the Christian Democratic Party [PDC] Directorate and has explained to the PDC the possibility of U.S. Southern Command bases remaining on Panamanian soil beyond the year 2000.

The meeting was held behind closed doors at the PDC main offices. There, for several hours, the foreign minister and the PDC Directorate analyzed the possibility of at least one of the bases the Southern Command operates along the banks of the Canal remaining in our country beyond the year 2000. The meeting was held to come to an understanding between this opposition party and the government on this topic of great national importance:

[Begin Foreign Minister Ricardo Alberto Arias recording] "This meeting has demonstrated Panamanians' marked interest in having this topic be discussed with the greatest possible seriousness, that it not be politicized, or made part of our normal, party politics. There is a national awareness about the impact a decision of this topic is going to have on the future of all Panamanians. I believe we all are taking on this issue with a great sense of responsibility." [end recording]

Nonetheless, the PDC president has said this meeting has clearly demonstrated that the government still cannot decide what to do: whether to comply with the Torrijos-Carter treaties or fulfill the interests of the U.S. Government on the Panama Canal:

[Begin PDC President Ruben Arosemena recording] "Up to now, there has been no word about economic compensation. The government says it does not know what the United States is willing to give in exchange. Even worse, the government does not know what it wants. In the face of this reality and if this scenario remains unchanged—there is nothing firm, nothing in particular—one must conclude that the Canal treaties should be strictly complied with." [end recording]

In view of this position by the PDC president, the foreign minister has said:

[Begin Arias recording] "The PDC opinion is one they must express, and they must make their suggestions public. I will only say that this meeting was a very beneficial one, very positive, from a national point of view." [end recording]

The foreign minister also has said these conversations with the various opposition parties will continue.

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Argentina

Argentina: Cavallo on Resignation, 'Confrontation' With Menem

PY2607032896 Buenos Aires TELAM in Spanish 2324 GMT 25 Jul 96

[FBIS Translated Text] Buenos Aires, 25 Jul (TELAM) — Economy Minister Domingo Cavallo tonight rejected reports speculating on his resignation and denied that he had a confrontation with President Carlos Menem.

Cavallo emphasized: "Leaks to the journalists are erroneous." He pointed out that, during a meeting with the president and other high-ranking government officials on 24 July, "we merely exchanged ideas on specific issues."

The minister believes a "mistake" was made by someone who "is not usually participating in this type of meeting, and misrepresented our remarks."

Cavallo regretted the existence of this type of situation, as "the people are led to believe in the existence of a confrontation that never existed."

Cavallo noted that the dissemination of this type of report, which "is a fabrication," causes "anguish and concern" to society. Nevertheless, he admitted that "other people rejoice" when the possibility of his resignation is raised.

During a news conference, Cavallo emphatically rejected the existence of any confrontation. He noted: "We are working as usual to gradually improve the Argentine economy."

Cavallo emphasized that he has President Menem's support to remain at the helm of the Economy Ministry.

Cavallo noted: "The president has told me that he wants me to continue and, as long as the president believes I have to be minister, I will continue to be minister."

Cavallo indicated that, in his opinion, the possibility of his leaving the government "could involve increased short-term problems for the course of the economy."

The minister admitted that, during the meeting at Government House on 24 July, the prospects of the Institute of Banking Social Services [ISSB] were reviewed. In this regard, he noted that the tax on banking commissions would not be reinstated.

He announced that the Economy Ministry, the ISSB, and the Office of the Chief of Cabinet are jointly working "to secure the financing required to restructure" the ISSB.

Cavallo said he is "firmly convinced that most people understand that we are doing our best to manage the Argentine economy."

The minister added: "I have a hunch that many people want me to stay on as minister; other people could be dissatisfied and obviously everyone has a right to voice his own opinion."

Nevertheless, Cavallo noted that, if he should leave the Economy Ministry, "society" should not be "concerned" over this, "as Argentina now has a set of very clear rules on economic matters that are increasingly being enhanced."

Argentina: Editorial Says Helms-Burton Law Case 'Not Closed'

PY2507213896 Buenos Aires LA NACION in Spanish 24 Jul 96 p 6

[Editorial: "Pressures on Clinton Regarding Cuba"]

[FBIS Translated Text] The apparently contradictory decision by President Clinton to, on the one hand, sign the Helms-Burton law that tightens the economic blockade imposed on Cuba; and, on the other, postpone for six months its implementation, appears to be the response of a president who is being besieged by tough, powerful pressure groups, but who is still trying to exercise the role of world leader that the international community reluctantly assigned to his country.

In six months from now, it will be possible to see the results of this new tightening of restrictions. Yet, the immediate complications that loomed large on Clinton's horizon — which could have undermined his chances in the November election — have been averted, at least for now. Beside allaying the concerns of a major group that regards the Castro regime's survival as offensive to the United States, Clinton has been instrumental in safeguarding some basic rules of coexistence among nations.

It would not be appropriate to analyze here the possible effects of the controversial law — if it is actually put into effect — on the Cuban domestic situation. It has become clear, however, that the prolonged unilateral U.S. blockade has had little effect on Cuba: While the Castro regime trades with the rest of the world as actively as its weak economy permits, it is able to blame Washington for all of its problems.

It seems appropriate, however, to note the bizarre U.S. notion of international law whereby it seeks to extend the U.S.-Cuban conflict to third countries which, irrespective of whether the actions of Washington or Miami are justified, should not be forced to share this conflict or the procedures adopted in its respect.

Media organizations, this column included, have disqualified the Helms-Burton law from various angles using different arguments. The overwhelming reactions

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provoked by the law signaled an adverse official reaction, which materialized and came precisely from those countries with which the United States maintains the closest ties of friendship and cooperation. The law, which is not in keeping with today's market integration trends and principles of international law, could in no way be accepted or tolerated by the rest of the world. In sum, Clinton had to decide on a misguided law.

Although it could go no further, the Helms-Burton law exists and those who promoted it will demand that it be complied with. The case is not closed and when it draws public attention again it will generate an exhausting debate because there are some who regard the survival of Castro's communist regime as intolerable humiliation.

The United States will have to confront all kinds of difficulties to perform its role as leader and custodian of the world's political balance if its administration is forced to indulge in outbursts like these.

Bolivia

Bolivia: Coca Growers Reject Official Reports on Eradication

PY2607004496 Cochabamba LOS TIEMPOS in Spanish 19 Jul 96 p A4

[FBIS Translated Text] International organizations should not believe the government when it says it has eradicated 3,500 hectares of coca or that it will eradicate 5,000 by the end of this month, "because it handles reports as it pleases and thus continues its show [preceding word in English], and guarantees the flow of funds."

This statement was made by Evo Morales, Special Federation of Tropic Region Peasant Workers executive secretary. He said the government is implementing a forceful coca eradication plan, without reaching agreements or promoting alternative development, and in many cases without economic compensation.

Morales said: "The Ministry of Government merely deceives the Bolivian people, giving false reports on the situation in Cochabamba and on the hectares of coca that were reportedly eradicated."

Morales said that last year the government decided to promote a forceful coca eradication program. It refrained from continuing to try to reach agreement with peasant organizations, which regretted the fact some peasants were killed or wounded during confrontations.

Morales added: "Forceful eradication began in 1994 when German Quiroga was the head of the Ministry of Government. At that time, we stopped forceful eradication with the help of self-defense committees, the press, and congressmen."

Morales said: "We are now scared after many people were killed and wounded. We are unable to stop forced eradication despite the march staged by our women (as of December last year)."

Morales noted that the government promised to suspend the forced eradication of coca, but in its reports to local and international media "it does not say that coca is being forcefully eradicated in Cochabamba."

Morales said: "We are convinced that some fellow peasants are being intimidated or blackmailed to sign agreements to forcefully eradicate coca."

Morales stated that the government handles figures on coca eradication "as it pleases," adding: "It reports on the eradication of 2,500 or 3,500 hectares as it chooses. It now says 5,000 hectares will be eradicated."

Morales said: "We do not know the exact figure. We do not control the figures because it is difficult to control eradication here and in other parts of the country, considering coca is also being eradicated in La Paz."

Morales stated: "Peasants from Los Yungas region, La Paz Department, came to the tropic last week to collect compensation owed them by the Coca Eradication Directorate [Direco] for eradications done a year ago."

Morales said: "These fellow peasants from Los Yungas came to the tropic to collect their compensation for eradicating coca. This is happening. The government is interested in coca eradication rather than in compensation and much less in alternative development."

Morales stated that the peasants admit there is surplus coca production and that it must be replaced not merely eradicated.

Morales said: "If the key problem caused by the socio-economic situation is not resolved, no matter if the government implements forceful or voluntary coca eradication programs, coca will continue to appear in Chapare, in other regions of the country, or in the Andean region."

Bolivia: Widespread Rejection of Helms-Burton Law Noted

PY2607005196 La Paz PRESENCIA in Spanish 18 Jul 96 p 5

[Editorial: "A Lesson for the United States"]

[FBIS Translated Text] The saying "when the United States sneezes, Latin America catches a cold" is well known. If there is sneezing in a unipolar world like

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ours during an electoral period in that country, the consequences could be very dangerous, especially if the sneezing is caused by an illegal drugs problem or the Cuban situation.

This is the only explanation for the United States believing that the world would unquestioningly accept the so-called "Helms-Burton law," enacted by President Bill Clinton — which seeks to enhance the blockade that was imposed on Cuba more than 30 years ago. Not even the obvious extraterritorial provisions of that law were considered.

The EU, Canada, and Mexico immediately protested and took legal precautions against this law, which, if fully applied, could elicit serious reprisals from the main U.S. trade and political allies. Lukewarm resolutions were also issued at various international fora of Latin American countries, like Rio Group and OAS meetings.

This widespread protest forced President Bill Clinton to delay by six months the application of Chapter 3 of the "Helms-Burton law," concerning the possibility of U.S. citizens — among them Cubans with U.S. citizenship — filing legal charges at U.S. courts against foreign companies that own or use assets confiscated by the Cuban Government after the 1959 revolution, assets on which no compensation was paid.

The delay represents a truce or a respite for U.S. allies, which, in turn, have stayed their impending declaration of a trade war on the colossus of the North. Distrust, however, has not disappeared. Canadian dignitaries have expressed satisfaction over Clinton's decision. Nevertheless, they noted they would continue to draw up "their own laws against the Helms-Burton law" to fully ensure the law "will not be reversed tomorrow," as it is like "a gun still pointed at our heads." The EU speaker was harsher. He said the law is "a sword of Damocles." The EU will continue to review measures that could be taken to counterbalance it.

There are other articles in that law that remain effective, such as the removal of U.S. entry visas from executives — and their relatives — of companies operating in Cuba in the aforementioned areas, including a company that is known in Bolivia, the Italian STET company, which capitalized ENTEL [National Telecommunications Enterprise].

When the Helms-Burton bill was released, it was believed the entire world would react against it. It was also leaked that even President Clinton was reluctant to enact it. But electoral senselessness, seeking to secure votes from the Cuban population settled in the United States, was stronger.

Nevertheless, "it's an ill wind that blows nobody any good." Restraining the arrogant attitude of a nation that currently plays a hegemonic role on the international arena is a significant precedent for the sound coexistence of peoples and countries in this globalized world. Hopefully the United States will learn the lesson and realize that it cannot use its power with impunity.

Brazil

Brazil: Social Security Ministry To Propose Changes to Rules

PY2507180796 Rio de Janeiro O GLOBO in Portuguese 23 Jul 96 p 5

[Article by Isabel de Paula]

[FBIS Translated Text] Brasilia — The Social Security Ministry will send to Congress in August a draft bill with at least 15 changes to its ordinary laws, which will not require a constitutional amendment. These will modify rules on retirement and on contributions paid to the INSS [National Social Security Institute]. One of the main proposals is to reduce the initial benefits of contributors who decide to request retirement proportional to their seniority after the law is approved. Women who work for 25 years and men with 30 years of seniority — who, according to current rules, would receive 70 percent of their salaries when they retire — will receive pensions equivalent to 50 percent of their salaries. The Social Security Ministry is only waiting for the final actuarial calculations in order to define the percentage of benefits to be granted.

The Social Security Ministry will also increase pressure on the soccer clubs that currently pay contributions only on the amount of tickets they sell for the games. The soccer clubs will be forced to transfer to the INSS an amount equivalent to 5 percent of their gross income, including profit made with the sale of rights to television transmission of the games, commercials, sponsorships, and bingo games.

Changes in the rules for proportional retirement will not affect workers who have worked for 25 years (women) and 30 years (men) before the law is approved. Nowadays, those who retire under the proportional seniority system receive a pension of 70 percent of their salaries, plus 6 percent for each additional year of work. For example, if the person has worked for 26 years, the pension will be 76 percent of the salary.

In accordance with the Social Security Ministry proposal, the retiring employee will receive 50 percent of the salary at the moment of retiring, 6 percent more in the first year, 8 percent more in the second year, 10 percent more in the third year, and 12 percent more in the

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fourth year, until reaching the time to be entitled to full pension, when the person will receive 14 percent more, thus totaling 100 percent.

Social Security Ministry experts say that currently there is an enormous imbalance in the social security system because the overall cost of the proportional retirement pensions is higher than that of the full retirement pensions.

The social security area has its eyes set on soccer clubs because these have been contributing less and less to the INSS. The teams assert that they have a low level of ticket sales and that very few people are going to the soccer stadiums. As a result, they have been contributing to the social security area with insignificant amounts. They do not mention, however, that their income is substantially increased by the sale of rights for transmission of the games and commercials. According to Social Security Ministry calculations, from January to May, the professional soccer clubs failed to contribute at least R5 million to the INSS.

Something is functioning badly. Society has been subsidizing the retirement of soccer club employees and players, because the clubs are not contributing with sums proportional to their income. They lie about their profits and only pay contributions on the number of tickets sold for each match, Social Security Minister Reinhold Stephanes said.

The Social Security Ministry has even studied the possibility of beginning to charge the soccer clubs 20 percent of their payrolls, like other enterprises. The ministry concluded, however, that collecting contributions on the gross income will be more profitable. According to calculations made by Jose Cechim, Social Security Ministry executive secretary, if the 20-percent law that had been in force until 1993 is again enforced, the soccer clubs would have to double their current contribution.

From January to May, the soccer federations and confederations have transferred to the INSS R2.07 million, on the employer's behalf, and R3.50 million relative to their employees' contributions.

This indicates that the soccer clubs' payrolls in the period totaled at least R35 million, i.e., if the clubs had paid to INSS 20 percent of their payrolls, the clubs would have had to transfer to the Social Security Ministry R7 million, almost R5 million more than what they did.

The current law establishing that the clubs have to contribute 5 percent of the tickets sold is very harmful. In addition, the clubs are paying only half of the contribution they should have paid for each employee, Cechim said.

The soccer teams have argued that in view of the financial crisis of the soccer area, they have no means of paying more contributions to the INSS. The soccer match that yielded more profit during the Guanabara Cup championship was the Vasco versus Flamengo one, which sold R1.31 million worth in tickets. The profit was divided between the two teams and the Rio de Janeiro Development Superintendency. The Flamengo versus Americano match at the Moca Bonita stadium yielded a R220,000 profit which, divided between the two teams, resulted in R110,000 for each one. The soccer area entrepreneurs usually say that they no longer need armored cars to transport the money obtained from tickets sale: They can use their trouser pockets to do that.

The draft bill the Social Security Ministry will send to Congress also contemplates changes in the basic pay scale used by self-employed workers and entrepreneurs to pay their INSS contributions. Nowadays, they spend most of their working years paying contributions based on the minimum wage, then start to pay maximum contributions when they are about to retire. When they retire, they receive pensions equivalent to the highest ones the social security system pays. The proposal contemplates increasing the level of contributions by self-employed workers and entrepreneurs.

Brazil: Chamber of Deputies Approves Power Regulatory Agency

PY2507173996 Sao Paulo AGENCIA ESTADO in Portuguese 0002 GMT 25 Jul 96

[Report by Jose Ramos]

[FBIS Translated Text] Brasilia, 24 Jul (AE) — The Chamber of Deputies today approved a bill creating the National Agency of Electric Power (Agencia Nacional de Energia Eletrica — Aneel) which is the agency that will regulate and control the electricity companies, replacing the National Water and Electric Power Department (DNAEE). The bill, which was approved by 263 votes to 75, with five abstentions, was presented by its rapporteur, Deputy Jose Carlos Aleluia (PFL-BA) [Liberal Front Party-Bahia].

The bill, however, can still be modified since the articles for separate voting will be voted on during the next Chamber of Deputies session scheduled for 6 August, when the "unofficial recess" of the deputies will end. The rapporteur does not expect any big change in the next round of votes. After the definite approval in the lower house, the bill will be sent to the Senate.

The bill that was approved today establishes that the Aneel will be an agency independent from the Mines

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and Energy Ministry. According to Aleluia, the agency is necessary on account of the new situation of the electricity sector, in which private companies will prevail. "In 1995 the private sector controlled less than 2 percent of the energy distribution, and nowadays it already controls 15 percent, which demands a more efficient control structure," Aleluia said. He pointed out that when the government owned the power companies it could control them itself.

The Aneel will have five directors that will serve four-year terms, and they will be nominated by the president of the Republic and approved by the Senate. The mandates of the directors will expire in different years, guaranteeing the renewal of at least one director per year. In the first year, only two directors will follow the general rule. The other three directors, including the director general, will be appointed by the Mines and Energy minister, and they can be removed from their posts. This is one of the points that will be discussed on 6 August.

The rapporteur eliminated the Consulting Council, whose creation had been suggested by the Mines and Energy Ministry, and he authorized the transference of supervision to the states and the Federal District. Aleluia reserved for the north, northeast, and center-west regions half of the income the Aneel will collect through the Global Reserve Reversion [Reserva Global de Reversao- RGR].

The measure will represent nearly 250 million reals [R] per year worth of investments for the power sector in the three regions, nearly R125 million of which will be applied in rural electrification, energy saving, and energy service for the low income population.

The bill provides for electricity rates to continue being controlled by the Finance and Mines and Energy Ministries for the next three years. After that, the rules provided in the concession contract of each company will prevail, which includes an annual rate adjustment based on an indexing factor that must be revised every five years.

Brazil: CVRD Privatization Model Analyzed

PY2507155596 Rio de Janeiro O GLOBO in Portuguese 23 Jul 96 p 20

[From "Economic Panorama" column by Miriam Leitao: "Power at the Rio Doce Valley Company, CVRD"]

[FBIS Translated Text] The special share, golden share [two preceding words in English], that the federal administration will have in the CVRD will be "biodegradable": it will lose some of its superpowers with the passing of time. In addition to the large mining companies, the trading companies [two preceding words in English] that have a large percentage of the international iron ore trade will also be prevented from participating in the privatization auction. The privatization model to be used for the CVRD sale will force the purchasers to release data that were kept away from the general public in other privatization auctions.

The golden share will initially grant the federal administration power to veto the sale of any portion of the CVRD. If the group decides to sell its paper and cellulose manufacturing area, for example, it will only be able to do so if the federal administration agrees. The federal administration will also prevent the sale of assets to shareholders who are members of the bloc that controls the company. After five years, however, the federal administration will lose part of this power. It will not be able, for example, to prevent the sale of a relevant asset.

Through this model, the two groups inside the National Bank for Economic and Social Development have been pleased: The group that believed it was necessary to protect the CVRD from purchasers who might want to buy it only to slice it up and sell it to others; and the group that feared excessive government control might scare off some potential buyers.

We cannot expose the CVRD to risks, nor put it in a plaster cast, one of the experts preparing the sale model said.

Another important aspect of the CVRD auction will be the establishment of an enterprise to define the groups that will participate in the bidding. In previous auctions, those interested in participating met far from the eyes of the public; signed with the shareholders an agreement, the terms of which were only known to them, and then participated in the auction. Certain data on the agreements that were withheld became known to the public only through the efforts of the press. Initially, when journalists had not yet developed a technology to cover these events, they also had difficulties in saying who had won the auction.

The CVRD privatization model, however, establishes that those who want to participate in the auction will have to hold meetings and publicly report the names of the companies comprising them, as well as the accords reached.

The expert said: Everything will become more open.

The model for the sale of CVRD is being decided through negotiations among the BNDES, the CVRD, and the consortium that won the bidding to propose the model. Instead of handing in thousands of pages with definitions on the way to sell the enterprise, in a single

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D-day, the consortium has been holding successive technical meetings with the CVRD and the BNDES. The CVRD sale is complex, there are many vested interests, and it is indispensable to strike a balance between the risk of selling it to people who are interested in reducing the enterprise's importance, and the risk of establishing restrictions that may reduce the enterprise's value.

For the time being, it is known that the following entities are forbidden to participate in the auction: The large international mining companies, because they might comprise an iron ore oligopoly; the trading companies operating in the iron ore market, because they might have access to priviliged data about the world's largest producer, which is the CVRD; and the large steel mills, because they might reduce the value of iron ore supplied by the CVRD only to increase their own profit. Nevertheless, the model will establish what is meant by large in this market. It will also establish, precisely, the percentage of market share control above which the enterprise will be deemed out of the auction.

Brazil: Government Expenditures Increase Close to Elections

PY2507195196 Rio de Janeiro JORNAL DO BRASIL in Portuguese 23 Jul 96 p 14

[Article by Maria Luiza Abbott]

[FBIS Translated Text] Brasilia — The cost of the approaching elections is beginning to appear in the National Treasury accounts. From January to June, federal administration expenditures increased by 849 million reals [R] — an 11-percent increase in real value — compared to the same period in 1995. This increase was registered only with regard to items: miscellaneous, investment, and remnants to be paid. This difference refers, basically, to resources disbursed in order to meet requests by congressmen who are allied to the administration. These are obtained by signing the so-called accords for execution of works. In June, the Treasury had a record deficit of R2.016 billion.

An expert in public accounts, who prefers to remain anonymous, said: "In 1995, the administration reduced its expenditures in civil works, but suspended control over this expenditure item in view of this year's elections." Compared to the same period in 1995, there has been a small drop in miscellaneous and investment items from January to June 1996. However, expenditures increased almost three times regarding items yet to be paid.

"Most of these resources have been spent in meeting requests by congressmen who ask for civil works and not by increasing the number of public employees or allocations," the expert explained. It is clear for the primary categories of spending — which excludes interest expense — that the federal administration is spending more. From January to June 1995, the Treasury had a R4.14 billion surplus, which dropped to R2.9 billion in 1996. This represents a R1.2 billion difference, which can be explained by a drop in tax revenue and an increase in expenditures. These expenditures refer basically to the ones related to the electoral year.

In this period, personnel expenditures have had only an inertial increase — from promotions and retirements corresponding to salary increases — because public employees have had no across-the-board salary adjustment this year. In addition to accords with congressmen, subsidies granted to agricultural credit have also increased. The difference between the market interest rate and the one charged from the agricultural area is covered by the Treasury, which spent R657 million in this type of operation. This amount is equivalent to nearly 24 percent more than what was spent in 1995.

From January to June, Treasury accounting figures showed a general deterioration. The federal administration's forecast that this year the operational deficit — which deducts monetary and exchange correction from revenues and expenditures — would be half that of last year can hardly be confirmed. From January to June, the Treasury operational deficit stood at R1.56 billion and was similar to that of the same period last year, which totaled R1.62 billion. "The final result will depend on the behavior of the state and municipal administrations, as well as on the revenue, but it will be nearer 3 percent of the GDP than the promised 2.5 percent of the GDP," the expert said.

The gap has not been bigger because there has been a drop in the level of interest and this has reduced pressure on the cost of rescheduling the public debt. From January to June 1995, interests on the debt stood at R5.76 billion and, this year, they stood at R4.5 billion. In the cash concept, which deals with each month's revenue and expenditures, the figures are frightening. From January to June, the accumulated deficit totaled R5.86 billion and was 10 times higher than the R519 million registered during the same period last year.

According to Treasury Secretary Murilo Portugal, public accounts will probably show signs of recovery in the next few months. "From July on, there will be a better level of economic activity and, during the period, revenue has been traditionally better. These two factors combined will yield very positive results," Portugal said. He bets that expenditures will become stable due to cutbacks that started being implemented in June.

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Brazil: Race for Mayor in Belo Horizonte 'Fiercely Disputed'

PY2607021196 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 25 Jul 96

[FBIS Translated Text] The election race for Belo Horizonte mayor is being fiercely disputed. Here are the results of the second poll by IBOPE [Brazilian Public Opinion and Statistics Institute]-Rede Globo in the Minas Gerais capital.

If the elections were held today, Virgilio Guimaraes from the PT [Workers Party] would receive 25 percent of the votes; Junia Marise of the PDT [Democratic Labor Party], 22 percent; Celio de Castro of the PSB [Brazilian Socialist Party], 7 percent; Amilcar Martins of the PSDB [Brazilian Social Democracy Party], 6 percent; Paulino Cicero of the PFL [Liberal Front Party], 3 percent; blank, null, and undecided votes, 37 percent.

Jose Bonifacio da Silva from the PCO [expansion unknown] received less than 1 percent of the votes. Jesus Ferreira de Melo from the PPN [expansion unknown] and Jose Gonzaga de Souza from PRN [National Reconstruction Party], did not receive any vote in the poll.

IBOPE polled 400 people between 19 and 21 July.

Let us analyze the performance of the leading candidates in comparison with the former poll carried out between 20 and 24 June.

Virgilio Guimaraes climbed from 22 to 25 percent of the votes; Junia Marise climbed from 13 to 22 percent; Celio de Castro maintained 7 percent; and Amilcar Martins climbed from 3 to 6 percent of the votes.

Brazil: Roundup of Economic Reports Through 25 Jul

PY2507170196

[FBIS Report] The following is a compilation of reports on economic activities in Brazil monitored through 25 July.

BASIC LEADING INDICATORS

Unemployment Rises in Sao Paulo — The Interunion Department for Statistics and Socioeconomic Studies, DIEESE, and the State Data Analysis System, Seade, have reported that unemployment in the Sao Paulo metropolitan region stood at 16.2 percent of the economically active population in June. This percentage is the highest one since that of July 1992. The DIEESE-Seade report estimates that there are 1,385,000 people unemployed in Sao Paulo. The report adds that 58,000 new jobs were created, but that 80,000 more people are now looking for jobs, and thus the number of unemployed people rose by 22,000. While 46,000 new jobs were created in the commercial area, 35,000 in civil engineering and domestic services, and 13,000 in industry; 36,000 jobs were eliminated in the area of services. (Sao Paulo GAZETA MERCANTIL in Portuguese 23 Jul 96 p A4)

FISCAL, MONETARY ISSUES

Public Debt Rises — The debt in bonds of the federal administration rose by R2.765 billion in June. It became necessary to issue bonds to cover interest payments and the treasury deficit, and to absorb the inflow of foreign currency. Thus, the federal administration's actual debt has risen from R122.4 billion in May to R125.1 billion in June. The debt in bonds of municipal and state administrations totaled R29.1 billion. Federal, state, and municipal debt in bonds together has risen from R151.2 billion in May to R154.2 billion in June. The net public debt has risen from R223.5 billion in April to R233.3 billion in May. (Sao Paulo GAZETA MERCANTIL in Portuguese 22 Jul 96 p b9)

Cellular Telephone Rate Adjustment — The Communications Ministry is going to allow private companies providing cellular telephone services to adjust their rates to inflation in accordance with the General Price Index, IGP, during the period November 1996-September 1997. This provision, which is included in the bidding term sheets, entails a form of indexation, which has displeased the Finance Ministry experts. Neither Finance Minister Pedro Malan nor his aides have been consulted on this matter by the Communications Ministry. (Rio de Janeiro JORNAL DO BRASIL in Portuguese 23 Jul 96 p 13)

TRADE ISSUES

Brasilia-PRC Trade Accord — Lourival Dantas, president of the Brasilia Federation of Industries, Fibra, today signed in Shanghai a trade agreement with William Zhou, president of the Chinese Council for International Trade Promotion. The agreement provides for the creation of joint ventures among Fibra businessmen and PRC organizations. The agreement was signed following a visit to China by Brasilia Governor Cristovam Buarque with 40 Brasilia businessmen. PRC and Brasilia businessmen have agreed to exchange information on economic topics, to hold an annual product fair — one in Shanghai, another one in Brasilia — and to create a permanent program to implement technology exchange and managerial training. Jin Chiang, a Singapore-born Brasilia resident who owns a McDonald's franchise, has registered the first Brazilian trading company in China. Jin is going to supply 15,000 tonnes of soybean to China. The Buarque-led mission also ne-

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gotiated the construction in Brasilia of a high-tech technological and industrial development area, support for tourism activities, and the possible installation of a motorcycle equipment plant by the Chinese holding company Norinco. (Sao Paulo AGENCIA ESTADO in Portuguese 1830 GMT 24 Jul 96)

Trade With Chile Declines — Brazilian-Chilean trade declined by 10.9 percent during the January-April period in 1996. During this period, Brazilian exports totaled $344.4 million, which is lower than that of the same period in 1995. Chilean exports to Brazil during the January-April declined by $70 million compared to that of the same period in 1995. Uruguay reported a $81.5 million drop in its trade with its Mercosur — Common Market of the South — partners during the April-May period. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 24 Jul 96 Section 2 p 2)

COMMERCIAL VISITS, OVERTURES

Cardoso Meets Japanese Trade Official — President Fernando Henrique Cardoso yesterday met with Akira Hishigaki, president of the Overseas Economic Cooperation Fund of Japan (OECF). Hishigaki announced that the OECF will continue to invest in infrastructure and agricultural projects in Brazil. Since 1981 the OECF has invested in 10 Brazilian projects totaling $1.790 billion. (Sao Paulo GAZETA MERCANTIL in Portuguese 23 Jul 96 p A5)

Chile

Chile: U.S. Ambassador's Remarks on Military Criticized

PY2607014396 Santiago EL MERCURIO in Spanish 25 Jul 96 p A3

[Editorial: "Unsuitable Remarks"]

[FBIS Translated Text] The U.S. ambassador to Chile has said the military is not subordinated to the civilian power, as reportedly demonstrated by the supposed impossibility to remove the commanders in chief of the Armed Forces by constitutional provision. These unfortunate remarks have been broadly rejected by leaders of political sectors. The ambassador quickly explained his remarks, which were interpreted as a retraction that allowed the episode to blow over. The U.S. ambassador's blunder, although it should not hamper bilateral ties, deserves some observations to safeguard the principle of self-determination of nations, and in defense of the prestige of civilian and military officials of the nation.

Subordination of the military to the civilian power is a reality observed daily since the advent of democracy and which is part of our traditions. This hierarchy has been recognized and observed by the high commands, and is part of the commitment of honor the military assumed when swearing loyalty to the national banner and reaffirmed by the current president and his predecessor. This reality has solid constitutional foundations. Article 90 of the Constitution states that the Armed Forces and Carabineros "are essentially obedient and not deliberating bodies;" adding: "They are professionals arranged hierarchically through discipline." Moreover, Article 24 states that the president is in charge of "the government and administration of the state" and that "his authority is extended to everything, seeking to preserve public order domestically and the external security of the Republic." Thus, all missions the Constitution assigns to the Armed Forces must be fulfilled with the president's authorization.

To the above is added a set of constitutional rules that establish a mechanism for the relief of commanders in chief with the participation of the National Security Council and presidential powers for the organization and distribution of the forces, as well as for promotions, enlistment, and employment during the states of exception, and other powers stemming from his presidential investiture. To this must be added the congressional power to impeach generals and admirals, and powers that are shared with the executive branch concerning budget matters and the states of war and of exception.

Objections to presidential powers and to the state of law unjustifiably pose doubt on expressed attributions of the political powers and harm the Armed Forces, making them appear as an independent power not subordinated to any government branch.

The establishment of a rule on the Armed Forces is a sovereign right. They may not be in line with the U.S. formulas, but there again, in that country the president can, at his discretion, relieve a top commander or the commanders in chief in time of peace. Approaching in an isolated manner the role of the Armed Forces can lead to mistakes, distrust, and especially to overlooking their contribution to democracy and national interests.

Diplomats must faithfully transmit the situation in the country to where they have been accredited; they must also be prudent in their remarks and respectful of domestic affairs of other countries. These principles are essential for the professionalism which helps attain understanding and cooperation among nations.

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Chile: Commentary Criticizes U.S. Ambassador's Statement

PY2507233596 Santiago EL MERCURIO in Spanish 24 Jul 96 p C3

[Commentary by Hermogenez Perez de Arce: "Neither Diplomacy Nor Truth"]

[FBIS Translated Text] The old saying on human behavior goes: When a lady says "no" she means "maybe;" when she says "maybe" she means "yes;" and when she says "yes" she ceases to be a lady. The same applies to a diplomat: When he says "yes" he means "maybe;" when he says "maybe" he means "no;" and when he says "no" he ceases to be a diplomat.

This could apply to an ambassador who criticizes the Chilean Constitution. Although the person eliciting such a criticism may allege — not as a diplomat but as a private individual — that he was merely expressing his honest opinion, the excuse is unacceptable because his statement is inexact and unfounded.

He stated: "The Constitution does not allow the Chilean president to remove the commanders of the Armed Forces." That is not true because Article 93 of the Constitution, Paragraph 2 states: "In specific cases, and with the previous approval of the National Security Council, the president may retire the commanders of the Armed Forces ..."

Worse still, the diplomat added: "This one area in which, at least from my government's point of view, we believe there is no complete control of civilian power over the military." This is not just inexact but categorically wrong. Article 90, Clause 4, of the Constitution states: "The Armed Forces and Carabineros, as military institutions, are essentially subordinate and non-deliberating bodies."

These two lines emphatically establish that the Chile civilian authority has absolute control over the military.

Furthermore, the norm that a public servant cannot be removed without fulfilling certain requirements is common practice in Chilean law. The president cannot fire a low-ranking Government House employee without a justified reason. He can, however, decide on the permanence of certain officials whenever the law establishes they are "confidential" posts.

There is one official the president cannot fire under any circumstance, not even if there is a justified cause: The comptroller general of the Republic. Has the U.S. ambassador informed his government that the comptroller general is not subordinated to civilian power? Does he believe this law should also be amended to allow the sale of guns to Chile?

Putting aside the wording of the law, the ambassador's statement is not true in practice either because the relative inability to remove the Armed Forces branch commanders or the Carabineros director general is less rigid than it seems. This administration — without any justified cause and after the courts ruled there were no grounds for the charges raised by the administration — managed to remove Carabineros Director General Rodolfo Stange one year ago from his post by simply making life unbearable for the Carabineros, as clearly stated by Stange when he left his duties. Thus, one can see there is not just complete control of civilian power over the military in Chile, but it is exercised in full.

Truth and diplomacy traditionally don't get along well together, but everything is doubly difficult when they do not respect each other.

Chile: Government Issues Credit Line for Agriculture

PY2507204496 Santiago EL MERCURIO in Spanish 24 Jul 96 pp A1, A11

[FBIS Translated Excerpt] On the eve of the Congress debate on the entry of Chile in Mercosur [Common Market of the South], the government yesterday announced the establishment of a $100-million credit line for Chilean agriculture. This credit line will be operated by the State Bank. No compensatory measures will be adopted for those economic areas affected by the Mercosur treaty.

The establishment of the new credit line, which does not encompass fiscal cost or subsidies, was announced during a news conference by Finance Minister Eduardo Aninat, Agriculture Minister Emiliano Ortega, and State Bank President Andres Sanfuentes. [passage omitted]

Finance Minister Aninat said this credit line is just one example of support measures for agriculture that the government has recently implemented and it fills an important void in the supply of long-term resources. It is targeted at producers of tradable agricultural products (exports and import substitutes) whose incomes are pegged to dollar variations. [passage omitted]

Sanfuentes stated the resources derive from foreign financing obtained by the State Bank under favorable terms. [passage omitted]

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Chile: Newspaper on Need To Enhance Laws To Fight Drugs

PY2507182596 Santiago ESTRATEGIA in Spanish 22 Jul 96 p 3

[Editorial: "Safeguards Against Drugs"]

[FBIS Translated Text] The seriousness of the drug problem in Chile has been observed for a long time. Several sources have warned about the fact that our territory has stopped being just "a transit country" for those who trade with drugs, noting greatly increased consumption and sales within our borders. Moreover, money laundering has reportedly also increased, the amount of which — according to Senator Sergio Bitar — has been over $500 million yearly.

Recent reports about the arrest of international groups that have been operating in Chile are clear evidence of the scope of international drug trafficking. Efforts must, therefore, be redoubled, and the current administration has great responsibility to attain this objective.

For now, supported by the law on drugs approved by congress, police and judicial operations have been successful, and for this reason these mechanisms must be strengthened.

The government agreed to sponsor a bill submitted by Deputy Juan Carlos Latorre (Christian Democratic Party) more than a year ago, which establishes that casual or habitual consumption of drugs by those holding public posts, both within public administration or within the Armed Forces, will subject those persons to dismissal. And although this is an essential step to prevent the spread of this evil, methods to detect activities linked to drug trafficking and money laundering must also be strengthened. To do this, socialist congressmen have announced that they will insist on the need to provide special powers to public organizations to investigate money movements in current accounts, for which there are clear presumptions that they come from illegal activities. So they have announced that they will reconsider the establishment of a rule rejected during discussion of bill 19336, which authorizes the State Defense Council to request bank records without prior judicial order by a decision of the majority of its members.

Surely it is not a matter of falling into excessive legal systems that can affect legal operations, but of establishing mechanisms that might help prevent drug-related crimes. The president of the State Defense Council said that we must not wait until "we are overwhelmed" by drug trafficking to react, and that if legislation is not strengthened, money laundering could seriously undermine the foundations of the Chilean economic system.

The effectiveness with which we must act in that delicate scenario is essential if we take into account the experience of other countries which have been contaminated by drug trafficking and corruption, which always come together. To prevent this is a basic requirement that must be observed by all those who can act against this problem, and this will be the only way to safeguard the current institutional system.

Chile: Auditor Recommends Reopening Soria Case

96SM0431A Santiago LA NACION in Spanish 22 Jun 96 p 9

[Article by Pedro Vega]

[FBIS Translated Text] Supreme Court Prosecutor Enrique Paillas yesterday recommended to the Second Division of the high court that it reopen the case of the assassination of Spanish diplomat Carmelo Soria because the amnesty law is not applicable since he was an internationally protected official.

His legal report contradicts the ruling recently handed down by the investigating judge, Eleodoro Ortiz, who closed the case and applied the amnesty law to the former military officers in the Mulchen Brigade of the DINA [National Intelligence Directorate] who were found guilty of killing Soria in the home of former DINA agent Michael Townley in July 1976.

The report issued by Prosecutor Paillas was sent yesterday in confidence to the Second Division of the Supreme Court, which will have to decide on the appeal submitted by attorney Alfonso Insunza against the decision to close the 20-year old case of the Soria murder on amnesty grounds. Retired Army Colonel Guillermo Salinas and retired Sergeant Jose Rios were the defendants.

In his five-page report Paillas says that international treaties take precedence over domestic laws and observes that Soria was an international official and thus enjoyed special protection.

"It can be inferred that Mr. Carmelo Soria was recognized by the Foreign Relations Ministry as a full-time ECLA official..." and that "he took up his duties as an international official of the United Nations assigned to this commission," Paillas notes.

Therefore, the prosecutor indicates that "Mr. Soria had the status of a regular upper-level international official who consequently enjoyed special protection against any assault on his person. Inasmuch as the indicated documents originate with the persons who have signed them, they constitute evidence that leads to complete certainty."

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In relation to Clause 2 of Article 5 of the Political Constitution, which deals with Chile's ratification of international treaties, the magistrate notes that "the provision transcribed, which took effect when it was published in the Official Gazette, clearly imposes a duty, which takes precedence over any other set forth in legislation, on all State bodies; it consists of guaranteeing and enforcing the rights arising from any international treaty that Chile may have ratified and that may be in effect."

Paillas then refers to the Geneva Convention on treaty law and notes that the first article of the convention "is designed to establish the obligation not to frustrate the purpose and aim of a treaty before it takes effect. Therefore, it can be concluded that Decree-Law 2191 of 1978 (Amnesty) was issued in exclusion of Mr. Soria's murder, inasmuch as the convention on the prevention and punishment of crimes against internationally protected persons had been signed by Chile long before, on 14 December 1973."

Chile: Evangelicals Form Political Party

96SM0431B Santiago LA NACION in Spanish 24 Jun 96 p 2

[Article by Eugenia Bravo]

[FBIS Translated Text] They arrived in the country 100 years ago "to win Chile for Christ." There were very few of them. But with bibles in hand and the Holy Spirit in their mouths they preached in streets, squares, and churches. Today, according to the most recent census, they number 1.8 million in Chile, 13.2 percent of the population. And they want seats in Congress to gain earthly power.

To this end the new generation of men and women of faith have just created a political party, Christian National Alliance, ANC, which will make its debut on 27 October at the municipal elections. It will be running 15 candidates, registered as independents in an alliance with National Renewal. Angelica Pino San Martin, an attractive blond who looks a bit like an American executive, is one of them. She will be running for a seat on the San Bernardo Council. She tells local voters that she intends "to make San Bernardo a community rich in Christian principles."

Will this be the birth of a mass party or is it destined to be a minor group without much political influence? Will this new player be able to overcome the resistance of Evangelicals, who have traditionally viewed politics as an alien monster?

It all remains to be seen.

Nonsectarian Optimism

The ANC says that it is nonsectarian and open to all Chileans with Christian principles. And it has already submitted the 150 constituent signatures that the Service of the Electoral Registry requires. Once its charter is published in the Official Gazette, it will have seven months to gather the 21,000 signatures per region that the law requires of a political party.

Its goal is to gather 1,000 signatures in each community with more than 150,000 residents. "We will unquestionably get them," says Abraham Larrondo, the president of the ANC.

"Our worry is that we will bring together so many people that we will have problems coordinating the process."

A Different Approach

Evangelicals have been marked by their noninvolvement in politics, though they have not refrained from voting. According to analyst Oscar Pereira, an Evangelical pastor, such apathy can be explained by, among other things, "the dimension of immorality that they ascribe to politics." Over the past 25 years, however, they have gotten the political itch.

A 1990 survey showed that 50 percent of Evangelicals did not belong to a party, whereas another in 1991 indicated that this number had dropped to 38.5 percent.

What drives this attempt to join preaching about the kingdom of God with the worldly speeches of politics? Pereira says that it is the leap forward in the educational level and the professionalization of the new generation of Evangelicals, combined with concern among the faithful worldwide about social problems.

If to this we add the populist, ecumenical initiative of Salvador Allende's government and General Pinochet's call for the spiritual backing of religion at a time when the human rights issue brought him into conflict with the Catholic Church, we can glimpse what has been happening.

In addition, President Aylwin's administration set up an advisory body for the Evangelical community that is headed by one of its members.

"We will displace the DC [Christian Democrats] and become the big party of the center." This is the overriding goal of the National Christian Alliance, according to its president, Abraham Larrondo.

At 34 years of age, this former National Renewal activist and director of planning in the Education Department of

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the Municipality of Maipu is a contemporary representative of the new generation of Evangelicals who, against the wishes of their pastors, have become excited about politics.

To Larrondo, the Christian Democratic Party has become divorced from Christian principles. And, he says, it is contradicting its own philosophy by joining with the Party for Democracy and the Socialist Party, which "ignore man's spirituality."

Aware that ideologies are no longer the hub of modern politics, having been replaced by the issues of culture, the ANC took an interest in seeing how Christian culture is interpreted in the political arena. "This prompted us to join together," Larrondo relates. "Until now there has been no Christian-inspired agenda that represented us in politics."

Therefore, "their" issues will be divorce, which they approve of only in very specific cases; abortion, which they always oppose; the stability of the family; education; the environment; organ transplants, since they disagree with the notion of brain death; and what Larrondo regards as "Chile's capital sin": discrimination.

As far as this leader is concerned, the ardent opposition of pastors to political activity is a generational problem. "There will always be pastors who will oppose the idea of Evangelicals becoming more civically involved," he says. "Ten years ago our church expressly prohibited playing soccer."

It was not until 1964 that Evangelicals made their presence felt in universities with the "university bible groups," which were run by a British missionary woman; they too were strongly opposed by the church hierarchy.

Today, he asserts, 70 percent of Protestants are young people, which foreshadows a changing of the guard among pastors as well. The spiritual leaders of the new century will be college graduates with a much more open outlook on the world.

"The ANC is a party that was created for the year 2000. We will be the Christian group that will represent the country's true political center, and we will be able to do it because our church has a huge social base."

Chile: Economy Minister on Development Problems

96SM0431C Santiago EL MERCURIO in Spanish 30 Jun 96 p 2

[Article by Audenico Barria]

[FBIS Translated Text] Vina del Mar—Achieving the goal of overcoming underdevelopment by the year 2010 means that we will first have to preserve the gains made in the country, said Economy Minister Alvaro Garcia in speaking before the Second National Forum on Production Development, held in the town of Renaca.

The gathering was attended by government officials and representatives of management, the CUT [United Workers Confederation], which was back after staying away last year, and various other sectors in the country. The minister was on a panel along with the president of the Senate, Sergio Diez; the president of the Chamber of Deputies, Jaime Estevez; the president of the Confederation of Production and Commerce, Jose Antonio Guzman, and the president of the Unitary Workers Confederation, Roberto Alarcon. The topic was "Challenges of Development in a Global Economy: Growth, Fairness, and Sustainability."

Alvaro Garcia emphasized that accepting the changes dictated by the challenges arising from pending tasks or new circumstances is just as important as consolidating what the country has accomplished. "I think," he said, "that the main one is to build a broad national accord around the fundamental characteristics of the development strategy, which virtuously combines dynamic, sustainable development and steady progress towards fairness and national integration."

He explained that the pursuit of fairness does not conflict with the path that the country has taken so far and that, on the contrary, it is the only viable way to project the successes of the present into the future.

Minister Garcia underscored the large, worrisome gap between rich and poor in Chile, as a result of which the value of fairness ought to permeate all social undertakings. To this end, he indicated, the main factor linking growth and fairness is the creation of good job opportunities.

The central importance of this issue, he explained, "is graphically illustrated by the fact that when a new member of a poor family gets a job, he brings to his household more income than any public program," and he recalled that more than 80 percent of household income comes from work.

Severe Inequality

An analysis of the sources of inequality shows, Garcia said, that it is largely due to our economy's heterogeneous production. We note with concern that the per capita income of the wealthiest people is 40 times greater than the poorest, triple the gap in the developed countries. Yet when productivity differentials are compared in Chile's industrial sector, gaps of up to 80 times are seen.

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The economy minister then emphasized that when all Chileans have a good job, "we will unquestionably have built a richer, more just country." A good job, he clarified, is one that combines a worker's skills with the capital and organization that productivity demands; it is one that pays in accordance with the workers' contributions, encouraging their involvement in the efforts towards quality and ongoing innovation in the modern company.

As tasks in achieving growth with fairness the minister then mentioned enhancing our national competitiveness, promoting integration into development (with benefits shared among all), promoting competition, human-resources training, and technological innovation, among others.

Jose Antonio Guzman

For his part, the president of the Confederation of Production and Commerce, Jose Antonio Guzman, stated that four factors now impact and would continue to impact national production development and must be identified, understood, and combined in order to assure development: the trend towards globalization, the world economic scene, Chile's goals and potentials, and weaknesses, restrictions, risks, and threats.

He indicated that globalization is much more than an economic concept about integrating markets, capital, or technologies, inasmuch as it is also happening in information, customs, social demands, vices, and shortcomings, but unfortunately not virtues. He added that it is an irreversible process that is influencing the international division of labor, which in turn is causing confusion, uncertainty, and lack of support in the countries hit by high unemployment.

Analyzing the world economic scene, he stated that it is important to anticipate tends, and with regard to the goals and potential of the Chilean economy he pointed to the following accomplishments of the current model: growth, jobs and pay, inflation, savings and investment, exports, diminishing poverty, and improvements in social indicators, all of which has been the result of efforts by both the public and private sector.

In his conclusions, Guzman underscored the importance of improving education as a way of eradicating poverty, seizing opportunities, raising income, boosting productivity and competitiveness, penetrating and holding onto foreign markets, and facing the threat of losing moral values.

CUT Remarks

The president of the CUT, Roberto Alarcon, stated that the confederation has been able to combine the struggle to achieve democracy with the demands of the workers, adding, however, that "we feel that the practice of negotiating minimum wages, labor reforms, and cutbacks in the public sector only with the government has run its course."

He stated that weaknesses are still left over from the structural adjustment of the economy in the 1980s. Among them he cited inflation, which is "hard to control with the Central Bank's current tools, inasmuch as regulating only through interest rates hurts investment and adversely affects jobs."

He also mentioned the lag in science and technology, a serious lack of training, the disadvantageous situation of working women and the household, and inequality in income and consumption levels among Chileans, "with three million workers who are not bargaining collectively, a million lodgers, 15 percent youth unemployment, drug addiction, and a high school-dropout rate."

Alarcon said that until now the workers have felt that dialogue and negotiation are the best approach and that this would remain true "only if we see results." He therefore demanded that the forum on production become a permanent tripartite institution with independence to achieve its objectives.

The CUT said that incentives ought to be given to boost production, along with stimulating investment in technological development and promoting better jobs and higher pay.

He also indicated that there ought to be social compensation for the fact that scientific and technological gains, which trigger and accelerate change, paradoxically seem to be coming up against the legitimate grievances of the workers, adding that the State, "along with huge, capital-intensive mining investments in the north, ought to promote other job-creating investments."

He also stated that social clauses relating to both jobs and the environment ought to be included in bilateral and multilateral trade treaties.

"The lowered levels of education and culture, which curb economic development, ought to be remedied, and social security must be redesigned so that it ensures a basic floor under Chileans. We demand reforms of the Pension Fund Managing Companies system and above all we demand implementation of the announced Basic Health Insurance, equivalent to four percent of pay," the labor leader said.

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Chile: Military, Business Views on Lagos Analyzed

96SM0433A Santiago EL MERCURIO in Spanish 30 Jun 96 pp D4-D5

[Article by Mauricio Carvallo]

[FBIS Translated Text] Until a few years ago, Ricardo Lagos acknowledged that three "vetos" blocked his way to the presidency of Chile: from the Catholic Church, the business community, and the military. Now, riding the wave of favorable opinion polls and the fruit of a personal effort of persuasion, he can say that, if at one time such "vetos" did actually exist, they have been largely brought under control.

The first obstacle, as he himself admits, was the least decisive and did not require any special effort on his part. Chile has even had presidents who were Masons, and the church leadership does not make its opinion felt from the pulpits against an agnostic politician like Lagos.

As for the business community, his leadership at the Ministry of Public Works has by now won him a certain degree of confidence. That and the aid of some influential friends, who advise him and arrange meetings with business leaders, have enabled him to surprise them with his modernizing ideas.

And for the military, his enthusiasm about infrastructure development—especially his support for the southern highway being built by the Military Labor Corps—has earned him respect, though with reservations. A stroke of luck at the end of May—echoed by the gnashing of teeth in DC [Christian Democracy]—enabled him to meet in Spain with a select group of Army officers. That caused Camilo Escalona, president of the PS [Socialist Party], to call a press conference to announce that "the military veto against Ricardo Lagos is being diluted."

People close to the minister privately criticized that comment as frivolous, while high-level Army sources asked what veto he was talking about.

His Select Circle

The meetings between Lagos and his colleagues with businessmen and military leaders have been constant, but the minister denies that this is part of a political campaign; instead, he says that his office requires that he be in constant contact with them, and he says there is too much suspicion. He also says that he does not have a permanent staff to help him, that he has never ordered polls, and that he only talks with the media when he needs to.

But he does have a select circle with whom he meets whenever he can.

Of course, he talks frequently with the presidents of the two parties that support him and with a varying number of political leaders, but there are just a few people in this sector who can be considered his true confidants: PPD [Party for Democracy] representatives Sergio Bitar and Adriana Delpiano, and socialists Carlos Ominami, Ricardo Nunez, Jaime Gazmuri (his military adviser), and Enrique Correa.

He maintains "very good, really extremely good relations" with Christian Democratic ministers Edmundo Perez Yoma and Genaro Arriagada (both in Frei's "iron circle"), and with Deputy Gutenberg Martinez. Perez Yoma's proposal to form a single coalition group favors him, as that would dilute the DC's argument about its being the party with the greatest specific weight. He is also helped by Martinez' support for the bill to reduce the presidential term to four years and to seek a candidate-selection mechanism, no matter who the candidate may be.

Outside the political arena, because of his great friendship with them, the names of several businessmen arise: Marcos Colodro and Andres Bianchi (the godfather of one of his children) and, somewhat more distant, Fernando Flores (he is working with Deputy Vicente Sota on rearticulating the cultural world of the center-left), and Maximo Pacheco, Jr.

His closest friend is probably economist Marcos Colodro, vice president of the Banco del Estado, a friend from their university days in the 1960's. Colodro reportedly has a certain amount of influence on Lagos. They meet religiously several times a week to talk about politics "and other stuff," as Colodro says. In Colodro's house Lagos has dined with people as economically powerful as Andronico Luksic and Alvaro Saleh.

The minister himself makes no secret of the fact that he has met with them a great many times in different places and also, among others, with the Mattes, Angelinis, and Adolfo Rojas. He says it is normal that he should get to know them, and he tries to explain this by saying that he had a very brief experience as a businessman in the metallurgical industry. For that reason, he also knows Roberto de Andraca and Hernan Briones.

He attends almost all the business meetings both inside and outside Santiago. "My impression is that they respect him," says Colodro. "They are not fanatic supporters, but I do not see them as concerned or worried about the possibility that he might become president. The most intelligent feel that with Lagos a historic circle is being closed."

Merely a member of the PPD, Colodro describes himself as "an ordinary foot-soldier" in politics, and as a

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dedicated supporter of Bitar's political line. He spontaneously says that he is "highly critical of Jorge Schaulsohn's leadership, because his term as party president has been more like being the president of one sector than of the party in its entirety."

That leads us to wonder if the influence that Colodro supposedly exercises over Lagos has separated him irretrievably from the president of the PPD, while bringing him closer to Bitar.

The Businessmen

After the meetings, the businessmen had no doubt at all that Lagos will be a presidential candidate. They say that, through him, they find the PPD more forward-looking than DC, which they consider a more statist party. He has described to them his ideal of a modern state and the significance of privatizations, of awarding contracts for infrastructure projects, regulations, and the policy of reducing poverty through economic growth. He reforms labor laws and tells them that collective bargaining in interbusiness unions should be used only in small and midsized industries, and not in the largest companies, as stipulated in the bill which the government has sent to Congress. But he also tells them of the need for the workers to have unemployment insurance.

"He speaks well, but his credibility is still relative. He says what we want to hear about the importance of private enterprise, but there still persists a deep-rooted suspicion among us about the past. That is why I find it strange that the business community invites him to all their meetings, and that Lagos is more popular with them than some other politicians," says one high-level business association executive who requested anonymity.

Another well known businessman, who also spoke on condition of anonymity, added:

"In private, Lagos is perfect, so we have lost a good part of our fear. But in his public speeches he does not give the same impression, which generates some lack of confidence. Our feeling is that what he says in private is said only to win votes. He can not be president with a permanent veto from the socialists blocking all the modernizations that need to be done, modernizations he says he agrees with. And he tells us that everything can be worked out in time."

The minister was amused by the comments on his campaigning to win over the business community. According to the minister, a new industry is now in the process of being invented, the highway contract awards, and that requires him to have contacts with them for what he calls "financial engineering." He explains that the construction companies have to negotiate project financing with the bankers and they all have to go through his office, where the dialogue is fluid, because he knows these issues.

He claims that if he had been minister of foreign relations and had had to take a trip with 10 businessmen, people would be saying exactly the same thing. He sees this as his fate right now, because when he was minister of education and visited Southeast Asia, it was difficult to get a businessman to go with him. He feels that now people will say that he wants to win over the intellectuals by setting up in the ministry the Nemesio Antunez Commission, which will finance about 10 arts projects all over Chile, and also when the three-meter by 12-meter mural which Roberto Matta is painting at no charge in Europe is placed in Pudahuel Airport.

"But I am not naive," Lagos said. "I see the polls, but they do not keep me awake at night."

Twists of Fate

According to Lagos, his alleged effort to win over the military is another side of the same coin.

He explained that the Military Labor Corps is the only organization that can build roads which, because of their difficulty, cannot be done by private enterprise. That is why the Antofagasta-Taltal road is being opened, and in the south work is about to begin on another road segment of over 100 kilometers between Tirua Bridge and Carahue, where the coastal road between the ninth and 10th regions will begin. The Army complained that it did not have suitable equipment and the minister did not hesitate to get them 2.5 billion pesos to buy the equipment they needed because, he says, between now and the end of the century, Chile must stop being a country of back roads.

And as the FACh [Chilean Air Force] and the Navy are also asking him for infrastructure projects, he terms the comment that he is doing this to win them over "simply nonsense."

He expressed amazement about the strange twists of fate, wondering what would have become of him if he had won the campaign for a Senate seat, which he lost. He says that in 1994 no one thought about him as a candidate who might be able to overcome the obstacles and reach the presidency, while now in 1996 DC is pondering whether it might have to vote for him. According to Lagos, there are new factors that open up that possibility. Among them, there is the fact that some Christian Democrats maintain that if the situation continues as it is now, and the party refuses to support him, the Coalition will be destroyed. He feels, though, that his candidacy will depend on the municipal and

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parliamentary elections, and on fears. If he were to campaign for the nomination, he believes that he would still need to overcome a campaign of terror.

Colodro advised him to remain a minister as long as possible and not to announce his candidacy for the Senate next year, as a prior stage to the presidency. Not because of the danger, explained his friend, but instead so that he can continue to maintain his reputation as a "statesman." It seems most likely that Lagos will heed this advice, as he finds that from his position the Chile of the future can be seen.

Like Gutenberg Martinez, Andres Zaldivar, and others, Colodro considers it necessary to settle the candidate-selection mechanism soon. It is known that Lagos may seek a method other than the primaries that selected Frei, but he says that he has had no specific thoughts on this issue.

His banker friend reveals that Lagos wants to make three things clear: the leader of the Coalition should be one person; his negative view of the concept of alternation in power, because a decision by party leaders could negate the sovereignty of the people; and the argument of DC's greater authority because of its greater specific weight should be left out of the negotiations, as this is not a matter of selecting the president of the Coalition, but its candidate.

The Military

At the end of May, Colodro accompanied Lagos to a short business-trade meeting in Barcelona. Afterwards, the minister went to El Escorial near Madrid, where a civic-military meeting was to be held which the socialists considered—perhaps excessively—crucial in shaping their future relations with the FFAA [Armed Forces]. The prestigious Ortega y Gasset Foundation, in association with Madrid's Complutense [Alcala de Henares] University, invited him to a strictly academic conference on the participation of the FFAA of Spain and Chile in both nations' transitions. The Chilean ambassador, Alvaro Briones of the PS, was involved in selecting the names of those invited.

Some very high-level representatives took part in that private three-day meeting. Two former heads of the Spanish Government, Leopoldo Calvo Sotelo and Adolfo Suarez, the present defense minister and the outgoing defense minister, plus high-level Spanish officers and noted academics were present. Three well-known Army officers came from Chile expressly for that meeting, and were joined by Chile's military attache, General Luis Emilio Cheyre. Representatives of the right were also in attendance: Hernan Felipe Errazuriz, Sergio Rillon, Fernando Moreno, and RN [National Renewal] Deputy Luis Valentin Ferrada.

Lagos, invited as one of the leaders of the Chilean transition, came with Camilo Escalona and their military advisers, Enrique Correa and Jaime Gazmuri, but the significance which his participation acquired would have been greatly diminished if the full DC had been present.

Although their attendance at the conference had been confirmed several weeks earlier, because of a variety of circumstances Gutenberg Martinez, Edgardo Boeninger (who had to undergo emergency surgery at that time), and Senator Arturo Frei (who had to attend the wedding of the daughter of his cousin, the president) did not attend. Minister Perez Yoma turned over his place to Patricio Silva, former ambassador to the United States and now director of the CED [Development Studies Center], but he is not a true heavyweight in DC. Moreover, he had to leave a day before the end of the seminar.

Well known DC leaders, who did not know of its existence, complained that the party had not analyzed the invitation in advance, as has always been its custom for less important events in Chile.

The question is whether this vacuum greatly favored an improved bilateral PS-Army understanding, which favors Lagos, at least on paper. Reliable uniformed sources say that there was no such objective, as Escalona said upon his return, as this was not a session for dialogue, and certainly no political agreement was involved, but instead that it was simply one more of many academic conferences. They did, however, recognize its importance, as four officers took part with the permission of the Armed Forces and the government.

Lagos carefully commented that after Spain he does not expect any "veto" against him, but he described this session as a good meeting with the Army, through what he called "the DC's omission."

A good many people who relate this fact do so with the desire of opening the way up for Lagos. It is said that the original idea of reducing the presidential term to four years—which the Justice Commission of the Chamber of Deputies has approved—was related to this, but it failed due to the impossibility of holding the parliamentary and presidential elections in a single day, the only thing that would justify such a plan. For if the term were shortened from 1999, that would mean an unpresentable proposal: extending the terms of the present senators and deputies.

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It is certainly true that by not going to the seminar, DC created a political climate favorable to its competitor for the presidency.

Patricio Silva recalls that after the academic conference there were "very straightforward talks in which everyone took part. There was extensive time for talk, and these were discussions of possible contingencies conducted in a good environment."

Lagos acknowledged that his conversations with the military officers were more abstract than his talks with businessmen. In closing the seminar along with Calvo Sotelo, he improvised, reading some notes he had scribbled down on a piece of paper. So no one can find those ideas in writing. He told them something very similar to what he read at the ceremony celebrating the victory of the "no" vote on 5 October of last year, that there are two transitions. One from an authoritarian government to democracy, and the other from a backward country to a modern country. He spoke of the need to achieve levels of social homogeneity and to organize an economy without authoritarian enclaves, which does not necessarily mean conflicts.

"Since I saw Lagos at work in El Escorial, where he was extraordinarily skillful," said Deputy Ferrada from the hardline sector of RN, "I believe that both DC and some progressive sectors of the right should update their views about defense and revise their relations with the FFAA. Although it may seem paradoxical, I heard some thoughts about FFAA-state relations which are much more forward-looking than what we expected from them. In El Escorial there was a move from a scenario of conflicts to a climate of understanding."

Senator Andres Zaldivar criticized DC for not having grasped the importance of the meeting and said that it "was not a pluralistic meeting, and professionally, it was not well conducted. It should have been better organized and it should have had greater openness, as many different interpretations may arise about what went on there."

Colombia

Colombia: Official Responds to U.S. State Department

PA2607022696 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 26 Jul 96

[Report by Raul Gutierrez from the "24 Hours Newscast"; monitored from live relay by Lima Sistema Unido de Retransmision Television]

[FBIS Translated Text] Justice Minister Carlos Medellin has responded without hesitation to U.S. State Department Spokesman Nicholas Burns and those who propose in the Colombian Senate the creation of an international tribunal to try drug traffickers.

In Washington, the U.S. State Department's main spokesman, Nicholas Burns, has said that if the Colombian Government wants better relations, it must arrest more drug traffickers and go after them with the full force of the law. The reply met with no delay. Justice Minister Carlos Medellin, while speaking at the prison guards school, reiterated that sentences will be increased, fines will run into the millions, and control by the mafia of three million hectares will be eliminated:

[Begin Medellin recording] We cannot accept any type of conditions. What we can accept is joint and sincere work in which Colombia and the United States become partners against a common enemy: drug trafficking. [end recording]

Medellin does not favor the proposal of creating an international tribunal to try drug traffickers, as proposed in the Senate:

[Begin Medellin recording] As long as the world continues to believe the only ones responsible for drug trafficking are Colombians, the tribunal will be only for Colombians. [end recording]

Medellin also has said this government has no plans for the time being to propose to Congress a reinstatement of the extradition of its nationals.

Colombia: U.S. Allegedly Made No Demands in Meetings

PA2607033796 Santa Fe de Bogota EL TIEMPO in Spanish 25 Jul 96 p 1

[Received via Internet]

[FBIS Translated Excerpt] The Clinton administration has sent President Ernesto Samper a new message, in the sense that it expects a much stronger hand will be used with drug traffickers to consider an eventual improvement of relations with Colombia.

State Department Spokesman Nicholas Burns said yesterday: "Arrest more drug traffickers, fully enforce the law against them, do not sentence them to only three years, give them longer and stricter sentences, do not put them in prisons that are like country clubs."

The statement was given just as new Colombian Foreign Minister Maria Emma Mejia was visiting Washington in an effort to achieve a detente between the two nations.

Meanwhile, Mejia has said the United States made no "demands" during the meetings held with Washington officials.

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Following her meeting with Robert Gelbard, assistant secretary of state who leads the struggle against drug trafficking, Mejia said the meeting was "very positive."

During her first day of activities in this capital, Foreign Minister Maria Emma Mejia said she had encountered a "receptive" attitude from the U.S. Government authorities, but she warned that no "immediate results" can be expected from her reconciliation mission. [passage omitted]

The State Department demands announced by Burns had a threatening tone yesterday: "If they do this, and if they cooperate with us in a much firmer manner, the Colombian Government will see our relations improve. If they fail to do so, we still have a variety of options to clearly state there is a price to be paid if you fail to adopt measures in this concern."

Nevertheless, upon leaving her meeting with Robert Gelbard, assistant secretary for international narcotics and law enforcement affairs, the foreign minister said no "demands" were made during her meetings with U.S. officials. Quite the contrary, she said, "the Colombian Government requested the respect that these relations deserve."

The foreign minister said Defense Minister Juan Carlos Esguerra will visit Washington next week to help restore those relations.

The minister, who met with White House Adviser Thomas McLarty in the morning, said the pledge to struggle against drugs was reviewed during her meetings with Clinton administration officials yesterday.

Mejia began her visit to Washington by meeting with Inter-American Development Bank President Enrique Iglesias. She also held a separate meeting, behind closed doors, with Jeffrey Davidow, head of Latin American affairs at the State Department.

The foreign minister is scheduled to hold a series of meetings with Congress leaders and high-ranking White House officials, and she will conclude her visit to Washington tomorrow, following a meeting with Timothy Wirth, assistant secretary of state for global affairs. [passage omitted]

Colombia: Creation of International Court Opposed

PA2507190896 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 25 Jul 96

[Report by Fernando Ramos; from the "National Newscast"; monitored from relay by Lima Sistema Unido de Retransmision Television]

[FBIS Translated Text] [Anchor Yolanda Ruiz] Justice Minister Carlos Medellin has just spoken out regarding the new demands made by the United States in the fight against drugs. We have a live report from the Inpec's [National Prison and Penitentiary Institute] school in Pusagasuga where the minister spoke a few minutes ago. Fernando Ramos is there. Fernando, good afternoon. What did the minister say?

[Ramos] Good afternoon, Yolanda. The justice minister said he is opposed in principle to the creation of an international court for trying criminals. The minister also said and has responded to the White House spokesman Nicholas Burns, who said Colombia should fully carry out its fight against the drug traffickers, otherwise, it would face serious consequences. Let's listen to Justice Minister Carlos Medellin's statements in Fusagasuga, Cundinamarca Department today.

[Begin recording] [Medellin] The topic of the precursor chemicals is always last. Sometimes it is not even discussed. Only the production of drugs, which is of course a serious topic, is discussed. This means that if a court were created at this time it would obviously be used to try only Colombians. In this regard, I believe that what we have to do is to strengthen our justice system. That is why we disagree with the idea. I am sure that Mr. Burns, for example, has not read the bills we have drafted to increase sentences and to strengthen the justice system. I would not surround this topic with so much mystery because I believe the work done by the foreign minister in the United States has been successful and excellent.

[Ramos] The fact that President Ernesto Samper was stripped of a visa is not the equivalent in a way to asking for the annulment of the marriage certificate?

[Medellin] It is the equivalent in a way to asking for the annulment of the marriage certificate, but we hope that is not the case. Of course, it was a very inadvisable thing to do. [end recording]

[Ramos] The justice minister has announced here the construction of a maximum security prison in Santa Fe de Bogota, the most important one in the country. It will cost $75 million and it will be a way of giving the United States a reply regarding its concerns over the security of drug traffickers in our prisons.

We also have a last minute report, which is the discovery of a tunnel at El Barne Prison in Boyaca, from where some 50 inmates were planning to escape. That is the information we have from Fusagasuga.

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Colombia: Samper Said Not Cooperating Fully Against Drugs

PA2607014596 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 26 Jul 96

[Report by Alvaro Ayala from the "24 Hours Newscast"; monitored from live relay by Lima Sistema Unido de Retransmision Television]

[FBIS Translated Text] The prosecutor general said today the U.S. Government is correct when it has stated through its spokesman, Nicholas Burns, that President Samper is not cooperating fully in the struggle against drugs:

[Begin Prosecutor General Alfonso Valdvieso recording] In my opinion, there is much more pending than what has been done; this remark does not disavow efforts by many institutions and offices, beginning with the Prosecutor General's Office itself. [end recording]

In a judicial forum organized by Colonel Gustavo Socha, director of the General Santander Police Academy, the prosecutor general also said it is not true that some of those found guilty in Case 8,000, such as Prosecutor Orlando Vasquez Velasquez, will be set free based on a Supreme Court of Justice ruling.

Colombia: Retired Military Urged To Recover Nation

PA2507132596 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 20 Jul 96

[From the "24 Hours" newscast; monitored from a relay by Lima Sistema Unido de Retransmision]

[FBIS Translated Text] Retired military officers on 23 July reported that the state of corruption into which the country has fallen has caused it to be regarded as a haven for bandits and demanded actions to recover the nation.

[Unidentified reporter] In a raw analysis of the Colombia state, retired military officers urged the recovery of the country and restoration of justice.

[Begin First Colonel Gustavo Rosales recording] Carlos, today we live in a country considered to be a haven for a group of criminals accused of crimes against humanity. We have been dubbed corrupt, and we have the stigma of being irresponsible and lacking credibility. [end recording]

[Reporter] Rosales also explained what the solution is:

[Begin Rosales recording] As things are, it is not feasible for society to support true patriotism without reservations on the dearest principles that encouraged our founding fathers. [end recording]

[Reporter] Meanwhile, active military officers acknowledged the crisis:

[Begin General Manuel J. Bonnet recording] Trade limitations, insults by the foreign media, disqualification of our system. We are called a narcodemocracy, a haven for criminals. Even though this does not constitute an armed pressure, it is a type of pressure on all Colombian people nonetheless. [end recording]

Colombia: Financial Bill's Strict Measures, Fines Viewed

PA2507152896 Santa Fe de Bogota EL TIEMPO in Spanish 20 Jul 96 p 1

[Received via Internet]

[FBIS Translated Text] The financial organizations that allow money-laundering operations will be punished with fines of up to 1 billion pesos.

This is what the bill, which the government will present to Congress, stipulates. The bill also increases the sanctions that will be imposed on companies and officials who commit this crime.

Banking Superintendent Maria Luisa Chiappe said fines of up to 50 million pesos will be established for people who are involved in money-laundering activities.

The reforms to the basic statutes of the financial system are furthered at a time when the country is being questioned for its scant cooperation in the combat of drug trafficking activities.

Furthermore, financial organizations will be required to register cash transactions that amount to or are higher than 10 million pesos. Up to now, this requirement was only necessary when operations exceeded 7.5 million pesos.

There will be strict control not only of cash operations but also of transactions that are made with checks, promissory notes, or any other type of documents such as bonds or deposits.

Financial organizations that allow money laundering operations will be fined up to 1 billion pesos.

The bill to be presented by the Banking Superintendency to the Congress of the Republic will stipulate the fines and also contains drastic measures to block money laundering activities.

The fines stipulated in the bill are the highest ever imposed on credit organizations. Economic sanctions only amount to 20 million pesos currently. The fines, thus, will increase 5,000 percent.

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The reforms to the basic statutes of the financial system will be officially presented at a time when the country is being questioned for its scant cooperation to fight drug trafficking.

Banking Superintendent Maria Luisa Chiappe also revealed that stricter fines, up to 50 million pesos, will be applied to the directors of banking organizations who allow money laundering practices. The highest fine charged up to now was for 12 million pesos.

Reports

On another issue, the superintendent announced that companies will have to register cash transactions of more than 10 million pesos in a special form. This requirement was only necessary up to now, for operations that exceeded 7.5 million pesos. [figures as received]

Operations in foreign currency that exceed $10,000 or its equivalent in other currencies will also have to be recorded in a special form.

Additionally, the currency exchange must report money order transactions for $3,000 or more, and purchase and sales operations for $5,000 or more.

People engaged in currency exchange will have to report all operations of $5,000 and more. The border currency exchanges must report transactions that amount to $2,000 and more, in the currency of the neighboring country. These amounts will be updated by the Banking Superintendency every year.

A handbook containing the new regulations is being prepared and will be distributed to the financial organizations.

From now on, financial institutions will have to be stricter in accepting clients. They will be required to know the identity of their clients, the type of business they are engaged in. Additionally they will have to keep tabs on their banking accounts. There is also a deadline of 30 days for the reports to be sent to the superintendency.

The new control mechanisms stipulate that banks must have more information on the clients who are going to enter the financial system as well as a greater knowledge of the market.

"An acceptable register should be kept, not only on checking accounts but also on any product that the financial organization sells to the client, such as a CDT [Fixed-Term Certificate of Deposit], a savings account, entrance to a regular fund system, the purchase of an insurance policy, an operation in the pension funds," Banking Superintendent Maria Luisa Chiappe stated at a news conference.

Colombia: ELN Guerrillas Release 2 Ecopetrol Officials

PA2607011296 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 25 Jul 96

[From the "National Newscast"; monitored from a live relay by Lima Sistema Unido de Retransmision Television]

[FBIS Translated Text] Right in the middle of a public square and in broad daylight, ELN [National Liberation Army] guerrillas released two Ecopetrol [Colombian Petroleum Enterprise] officials whom they had kidnapped. The rebels took advantage of the presence of this station's reporters to address themselves to the people of Sardinita.

Ecopetrol Supervisor Enrique Hernandez and engineer Fernando Fernandez were handed over to a commission headed by Tibu Bishop Jose de Jesus Quintero Diaz and Red Cross members:

[Begin recording] [Unidentified reporter] Did Ecopetrol pay any ransom for the release of you two?

[Fernandez] Not that I know of. I cannot imagine the enterprise paying money for any one official. We are common people and were aware of the situation. [end recording]

The members of the Libardo Mora Toro Front have sent a letter of commitment to Ecopetrol urging the enterprise to take a certain number of actions for the community's development. In addition, the rebels have announced joint actions at the border with Venezuelan guerrillas of the so-called Red Flag Party.

Colombia: 'Drug Kingpin' Accepts Drug-Trafficking Charges

PA2607035096 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1730 GMT 22 Jul 96

[From the "National Newscast"; monitored from live relay by Sistema Unido de Retransmision Television]

[FBIS Translated Text] Gilberto Rodriguez Orejuela today accepted the drug-trafficking charges of the Prosecutor's Office against him. The Cali cartel drug kingpin decided to benefit from the advanced sentence system and started negotiating his sentence today.

The Prosecutor's Office already has gathered enough evidence to keep the head of the Cali cartel behind bars. Because of the overwhelming evidence against him, Gilberto Rodriguez himself requested the hearing that will give him an advanced sentence. The hearing started this morning.

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Rodriguez accepted charges that he had made more than 20 cocaine shipments to the United States since the mid-1980's. The Prosecutor's Office decided last week to consolidate all the cases against the drug kingpin; thus, Gilberto Rodriguez could be given the maximum, 30-year sentence for the crime of drug trafficking.

The cartel's lawyers have said their clients will cooperate with justice and will surrender the assets and money obtained from illegal activities. The drug kingpin has decided to accept the advanced sentence system and to confess the crimes, because this will allow him to obtain several benefits.

On another issue, a faceless judge today ordered that Aura Rocio Restrepo, former Valle beauty queen and friend of Gilberto Rodriguez, and Alberto Madrid be arrested once again. They had been released because their legal terms had expired, but the Prosecutor's Office has again presented illegal enrichment and front man charges against them and called them to stand trial for those crimes.

Ecuador

Ecuador: FAP Commander's Words Termed 'Threat' to Peace

PY2507190696 Madrid EFE in Spanish 1644 GMT 25 Jul 96

[FBIS Translated Text] Quito, 25 Jul (EFE) — It was reported today that General Jose Gallardo, former minister of defense during last year's armed conflict between Ecuador and Peru, construed the Peruvian Air Force [FAP] announcement that it will resort to "the use of force with might and main" to defend the border between both countries as a threat.

Commenting on the remarks made by FAP Commander in Chief Waldo Richter, Gallardo said: "Those assertions are not only most untimely, but also seek to affect the peace process. This is just another proof of Peru's double-talk vis-a-vis Ecuador."

During a ceremony held on 23 July — attended by President Alberto Fujimori — Richter said that the FAP reiterates its pledge to defend Peru's territorial integrity as the heroes of the Upper Cenepa River did during the armed conflict with Ecuador in 1995.

In an article published by the Guayaquil daily EXPRESO, the former Ecuadoran defense minister said: "This is not the first time Peru utters threats while Ecuador, without making bellicose declarations or adopting a defiant stance, is faithful to its peace-loving vocation."

General Rene Vargas, former Ecuadoran Army commander, termed Richter's remarks a "veiled threat which contradicts the spirit of dialogue to reach a settlement" over the border problem between Peru and Ecuador "through negotiations."

Vargas called upon Ecuadorans to have confidence in the Armed Forces and appealed to them to remember "the victory" scored by Ecuador in the so-called Cenepa war, which occurred from 26 January to 28 February 1995.

Both Ecuador and Peru have laid claim to a territory which lacks demarcation in the common Amazon frontier. This has led both Andean nations to be involved in three wars over the last 50 years.

Ecuador: Vice President-Elect's Manager Named Minister

PY2507203596 Quito Voz de Los Andes in Spanish 1700 GMT 25 Jul 96

[Report by Elizabeth Borja]

[FBIS Translated Excerpt] During a ceremony in honor of Vice President-elect Rosalia Arteaga, the latter announced that [her campaign manager] Sandra Correa has been named education and culture minister.

Addressing a group of feminist organizations which supported her candidacy, Arteaga formally named this new member of President-elect Abdala Bucaram's cabinet. [passage omitted]

Ecuador: Possible Names for Armed Forces Leadership

96P20471A Quito HOY in Spanish 22 Jul 96 p 1

[Received via Internet]

[FBIS Translated Text] With the promotion of Army General Paco Moncayo to the leadership of the Armed Forces Joint Command and the consequent availability of General Jorge Ortega, several changes are perceived in the leadership of the Armed Forces.

Once Paco Moncayo's nomination has been confirmed, it only remains for him to take up his post on 11 August right after Abdala Bucaram assumes the presidency of the republic. Meanwhile, Jorge Ortega Espinosa will remain in charge of the Joint Command.

In the waiting list to fill the Army command vacancy left by Moncayo, are Major Generals Franciso Herrera Ruiz, Cesar Duran Abad (former liaison officer with the MOMEP [Ecuador-Peru Military Observer Mission]), and Patricio Lloret Orellana, the most favored candidate, military sources told HOY.

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These are not all of the changes. Fresh winds are also blowing in the national Navy with the probable departure of the commander-in-chief, Vice-Admiral Jorge Arturo Donoso, who will soon complete two years at his post, although he could be promoted to Navy admiral.

In any case, the new president could name Vice-Admirals Hugo Canarte (current chief of staff) and Cristobal Moncayo, or Rear-Admiral Timoshenko Guerrero to the Navy general command.

Hugo Canarte is the first choice for this post, because he is an old friend of the Bucaram family.

The new government could also bring changes to the leadership of the Ecuadoran Air Force (FAE). The current commander, Lieutenant General Fernando Martinez de la Vega, who will soon complete two years at this post, will probably be replaced.

If changes do occur, the candidates are Brigadier Generals Hernan Quiroz, Patricio Gonzalez, and Ricardo Irigoyen. According to the contacted sources, it is unlikely that Quiroz will assume command of the FAE because of his being mentioned in a legal matter involving the purchase of tractor-trucks.

Therefore, Ricardo Irigoyen, current member of the arms transparency commission, could be named new FAE commander.

These changes could take place right away, or after a while, but it is certain that with the new government there will be a new military leadership.

Paraguay

Paraguay: Army Commander Reiterates Loyalty to President

PY2507215996 Asuncion NOTICIAS in Spanish 25 Jul 96 pp 1, 5

[FBIS Translated Text] Amid an austerity quite different from the ostentation of previous years, the Paraguayan Army on 24 July commemorated its day with a reception attended by President Juan Carlos Wasmosy, Armed Forces commander in chief, who emphasized the help extended by the Army to him in the reorganization of the country.

The simple and austere ceremony marking the Day of the Paraguayan Army was radically different from those of previous years, because under the command of General Lino Cesar Oviedo retired, the former Army strongman, such ceremonies took on "imperial" features, and looked like a circus.

In a message to Division General Oscar Diaz Delmas, Army commander in chief, which was read by the official speaker, Wasmosy said: "Today, our Army, which is fully embarked in a conscientious process of institutionalization in line with the principles and the spirit of the Constitution, is successfully marching toward new goals in keeping with the evolution of time and the demands posed by the international order."

The message said: "The Army has contributed to the reconstruction of the country. It was called to intervene and restore the state of law, freedom, and constitutional guarantees, and — logically integrated with the government — has paved the way for reaching the great goals of the nation."

The ceremony was held at the Army Headquarters. It was attended by Vice President Angel Roberto Seifart, Military Forces Commander Silvio Rafael Noguera, Navy Commander in Chief Vice Admiral Eduardo Lopez Moreira, and Air Force Commander in Chief Cesar Cramer.

In his message, the president emphasized that he is proud of being the chief of state, and warmly congratulated the Paraguayan Army for its honorable history, its dedication to the fatherland, its growing professionalization, and its full loyalty to the legitimate authorities in its search for consolidation of national sovereignty.

Army Commander in Chief Gen. Diaz Delmas emphasized: "Today, in peace, and — thank God — with reconciled spirits, having left behind useless rancor, the Paraguayan Army must work for our ideal of Americanism, consolidating with perseverance the principles of cooperation and mutual confidence, in harmony with the armies of neighboring sister nations, for the sake of regional development."

Gen. Diaz Delmas stated: "The Armed Forces are striving to successfully perform the institutionalization process that the Constitution has set for them. As part of this action, the Army is permanently covering a large part of our territory through permanent surveillance and alertness, firmly fulfilling its duties with the honor of being disciplined soldiers who are loyal to their commander in chief."

Paraguay: Commentator Claims National Economy 'Off Course'

PY2507164296 Asuncion NOTICIAS in Spanish 21 Jul 96 p 24

[Commentary by Luis A. Campos: "We Will Advance 50 Years in Five!"]

[FBIS Translated Text] In a few weeks, President Juan Carlos Wasmosy will celebrate his third year in the presidency. Last week, two events contributed to conducting an early evaluation of the president's performance.

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The first event is related to publication of the Central Bank six-month report. This document confirms some hypotheses we had already commented on in previous articles. The most important of them is that the government experts do not see signs of an economic recovery in the short term.

In other words, economic recession seems to have come to stay.

The administration's official forecast for GDP growth this year is 2.5 percent. As a result, the last three years' average economic growth has been identical to that of the population growth. In real terms this means that the Paraguayan economy has not grown at all.

It would be unfair, however, to hold only the current administration responsible for "the birth" of economic recession. This recession is a consequence of the insistence by certain "high-ranking" circles to continue betting on the effectiveness of a growth strategy that is nowadays considered old-fashioned because it is centered on growing only soybean and cotton and is contrary to the development of a different type of agriculture based on the diversification of products.

With the terminal crisis of the current cotton production system, the administration's economic policy capacity to respond is practically nonexistent. There is no way of breathing life into the old-fashionedcotton production scheme and, worse still, changes implemented in this area never produce immediate results.

Consequently, from lack of imagination and of courage, the economic policy implemented by the administration of Colorado Party President Juan Carlos Wasmosy is condemned to remain permanently off course, to being always behind the important events, and to implementing superficial, "cosmetic" policies that do not convince anyone.

This week the Finance Ministry has released economic forecasts which it is using to draft the country's General Budget for 1997. The Finance Ministry will be compelled to implement a restrictive fiscal policy because the tax revenue has dropped and the crisis will persist until next year.

The watchword is to cut back unnecessary expenditures: There will be budget ceilings for each ministry; hiring of new employees has been suspended; a better use will be made of the 10,000 government-owned vehicles and fuel consumption will be reduced.

In the sensitive area of fiscal policy, however, there are but late reactions and merely superficial corrections.

Late reactions, because not until one year after the economic slump and the recession that followed it — both of which have negative effects on the fiscal revenue — did the Wasmosy Administration start to react by basically suspending public investment. But current expenditures for 1996 remained practically the same.

We will advance 50 years in five, Wasmosy claimed during his electoral campaign. He thus used, demagogically, an old Brazilian slogan without even "adjusting" it to our reality.

One of the main slogans of the Wasmosy propaganda campaign was that of modernizing the economy and the public sector.

Only two years away from the next presidential elections, and with a very full electoral timetable, modernization of the public sector is only mentioned in the "official discourse."

By worsening the structural deformation of Paraguayan public expenditures (by increasing current expenditures to the detriment of public investment), the fiscal poiicy consolidates the traditional ineffectiveness of the state apparatus inherited from Stroessner's days and scarcely helps the economy overcome the recession.

Paraguay: Editorial Notes 'Vices' Hindering Privatizations

PY2607025596 Asuncion ABC COLOR in Spanish 25 Jul 96 p 12

[Editorial: "Inefficiency and Laziness in Public Companies"]

[FBIS Translated Text] During his farewell speech, outgoing Privatizations Council President Jose Maria Espinola Manzoni mentioned important things that deserve to be outlined.

He said: "The privatization problem is not a political-partisan problem, it is a problem of mentality." Indeed: the decision whether or not to privatize public companies in our country is not linked to political parties, but to the thought and ideology (what Espinola Manzoni called "mentality") of each individual politician. Politicians in this country strongly support state ownership, regrettably, no matter their political affiliation.

The reasons for that support, however, differ substantially. Sometimes the reason is really ideological — involving intellectual convictions. In other cases the reason is a peculiar nationalistic feeling. On other occasions — the most common case — the reason is simply an inclination toward populism as a supposed method for obtaining electoral support.

Perhaps populism is today the greatest and most disseminated of the vices affecting our national political class.

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A good number of laws were influenced and sometimes totally determined by the predisposition of legislators to please groups of individuals that made loud claims. Even some constitutional precepts were influenced — and among them is the article on privatizations, Article 11. This article was written under pressure from a group that knew how to lobby to achieve its purpose.

The price the nation must pay for this generalized populism among its politicians is really very high. There has been a constant de facto resistance to privatize public companies. These companies' inefficiency, their inability to follow technological progress, their constant losses, and the proliferation of dirty deals and other illegal activities common in them have been tolerated, only because public officials oppose their privatization through a fear of losing votes.

The privatization of public companies involves problems and difficulties, of course — beginning with a difficulty to provide guarantees that officials will act honestly during the transfer process. One problem that usually does not appear, except under exceptional circumstances, is the mass unemployment provoked by privatized companies.

Positions lost through privatizations are almost never real working positions, but positions created through patronage. As Espinola Manzoni insinuated, the real problem is salaries, money that the Paraguayan people will stop paying to persons who, in fact, do not have any function, or people who work in a group that do what one employee can easily do alone.

The elimination of superfluous positions, which necessarily results from the privatization of state companies, should not be seen as a social problem. At most, it is the individual problem of a number of persons whose easy life has ended. The problem that deserves to be characterized as social is the fact that the nation, for many years, has been paying the salaries of lazy people who have never worked. And what is perhaps still worse, patronage has become so commonplace that there are many people who no longer perceive that living at the expense of others without doing anything to earn what they receive is wrong and immoral.

Venezuela

Venezuela: FM on Colombian, Guyanese Boat Incidents

PA2507132396 Caracas EL UNIVERSAL in Spanish 19 Jul 96 p 1-12

[FBIS Translated Text] Caracas — Officials have yet to accept reports that a Colombian boat was attacked from Venezuelan territory as it navigated down the Arauca River at noon on Wednesday [17 July].

Foreign Minister Miguel Angel Burelli said yesterday there is only a note sent by the Colombian Foreign Ministry requesting an explanation about the incident.

"There is still no word from the Colombian Defense Ministry, by military officials in the area, stating the incident occurred. This could be a provocation, but the report could also be true. That is why a mission was sent to the site to investigate what the Colombian Government has reported." According to the official Colombian version, the boat had the necessary permits because it was a mission comprised of Foreign Ministry, Transportation and Communications Ministry, and Agustin Codazzi Geographic Institute officials.

Foreign Minister Maria Emma Mejia de Caballero, who confirmed the Colombian report yesterday, said the attacked boat was carrying a Venezuelan flag and was navigating close to the Colombian side of the river.

The team was investigating peasants' reports about alleged raids by Venezuelan troops into border towns in Arauca Department.

The official explained that the mission was comprised of Jaime Barrera, from the Foreign Ministry's Territorial Sovereignty Section; Monica Pena, a cartographer; Carlos Nieto, from the Transportation Ministry; and Tulio Herrera, from the Agustin Codazzi Geographic Institute.

Burelli Rivas said Venezuela deeply deplores what happened, but he emphasized no one can claim yet that the Venezuelan authorities are involved.

The foreign minister said that, as soon has the information was received yesterday, he contacted the Defense Minister, who said the neither National Guard, the Navy, or the Army had any report on the matter.

Army Commander General Pedro Hernandez Guevara also said he had no information on the alleged attack.

Burelli Rivas was also asked about the Venezuelan fishing boat detained by Guyanese authorities. He said this action was disproportionate and inconceivable because they fired 71 shots against the boat. "We will adopt measures. The action occurred in a disputed area that we claim as under discussion and they claim as theirs. In any case, it was a disproportionate action because they fired 71 shots against an unarmed boat. Even though no one was injured, we have protested because we believe it is disproportionate."

The foreign minister also reported a meeting with Dominican counterpart Caonabo Javier Castillo, and indicated that the main points of bilateral interest are a possible sale of Orimulsion, an exchange in the tourism sector, and conditions for prisoner repatriation.

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Venezuela: 'Satisfaction' With Colombian Communique Noted

PA2507123096 Caracas EL UNIVERSAL in Spanish 23 Jul 96 p 1-10

[Report by Hugo Vilchez]

[FBIS Translated Excerpt] Foreign Relations Minister Miguel Angel Burelli said that "the Colombian official communique has many details, and the Venezuelan Government has accepted its content. The situation prevailing prior to the misunderstanding was not altered, and this issue will not be addressed at the Caracas meeting. It is a chapter that closed quickly; let us start fresh."

With the urgency that characterizes the foreign minister, who hastily attended and left the ceremony the Caracas Sofia Imber Contemporary Art Museum and the Drawing Circle held to honor writer Arturo Uslar Pietri, the minister took a "little time" to voice his satisfaction over the explanatory communique the Santa Fe de Bogota Foreign Ministry issued on the speech President Ernesto Samper delivered to the Colombian Congress.

The Colombian official document explained that the speech President Samper delivered during the opening of Congress' special sessions never referred to the issue of the exchange of military weapons for drugs with the guerrillas of the neighboring country. [passage omitted]

Venezuela: Minister Says Samper's Remarks 'Distorted'

PA2507125396 Caracas ECONOMIA HOY in Spanish 24 Jul 96 p 3

[FBIS Translated Text] Defense Minister General Pedro Valencia Vivas said that the accusations against the Venezuelan Armed Forces lodged in the report President Ernesto Samper presented during his speech to Colombian Congress are "distorted, unfair, and unnecessary." The defense minister firmly rejected the statements attributed to a Colombian Government's report stating that members of the National Armed Forces [FAN], in a corrupt action, have sold weapons to Colombian guerrillas and drug traffickers.

He maintained that if Colombian rebels are in possession of Venezuelan weapons, it is the result of their attacks on our border posts. To clarify his assertion, he recalled the incursions that Colombian guerrillas perpetrated against the posts of La Charca, Los Bancos, Sierra del Perija, and Carabobo, "where, in addition to murdering soldiers, the rebels stole the weapons that they had."

Valencia explained that when there have been reports or doubts on the loss, theft, or lack of control of weapons, they have been duly investigated and pertinent sanctions have been taken to prevent this type of irregularities. "The FAN is a serious institution, and this type of accusations requires evidence."

As for the talks held with his Colombian counterpart, Juan Carlos Esguerra, the Venezuelan defense minister said it was a courtesy call by the two defense ministers to discuss general, not specific matters. "A meeting by the two of us has not been determined yet."

Regarding parliamentarian matters, Paciano Padron presented to the Leading Commission [Comision de Mesa] of the Chamber of Deputies a draft agreement, through which, among other things, a position on the recent statements made by Colombian President Samper.

The draft agreement proposes asking Foreign Minister Burelli to include in the agenda of his next meeting with his Colombian counterpart, Maria Emma Mejia, the issues referred to in the report that the Colombian president presented. The draft agreement also proposes that the government of the neighboring country identify the 300 Venezuelan weapons that have been seized in the last five years, according to the aforementioned report. Likewise, the draft proposes to urge the defense minister to expedite the signing, along with his Colombian counterpart, of the Manuel of Operational Program of the Armed Forces of the two countries.

Venezuela: AD Analysis, Strategy Document Outlined

96SM0434A Caracas EL NACIONAL in Spanish 8 Jul 96 p 1

[Unattributed article: "Alfaro: Authority in Democratic Action Must Be Maintained Whatever the Cost" — received via Internet]

[FBIS Translated Text] A document circulating among the members of the Democratic Action [AD] national leadership sums up the fundamental guidelines of party strategy and tactics. Internally, it outlines what could be called the "Alfaro Doctrine" — which has governed the organization's operation in recent years, characterized as it is by the use of inflexible disciplinary mechanisms.

The doctrine can be summed up in a pair of phrases: "Maintaining authority" (in the organization), whatever the cost, and "rejecting messages and rhetoric that attempt to implant doctrines other than those of the party." It also contains a pronouncement about the need to update AD political positions. And while no express mention may be made of this fact, the first steps are already being taken toward an internal discussion that

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will culminate (possibly in November) in a CDN [National Steering Committee] that will approve a "proposed model for the country." That proposed model for the country will serve as a basis for the government platform of the AD presidential candidate for 1998, when the latter will not present his own program but rather that of the party, will not be free of party discipline, and will not cast the decisive vote when it comes time to draw up the lists of candidates for Congress, the legislative assemblies, governorships, and mayoralties. In addition to the document mentioned, members of the CEN [National Executive Committee] were given a communications strategy proposal designed to overcome "the least positive" aspect of the AD. To do so, one starts from the basic premise according to which the party is perceived as having "little initiative, is passive in dealing with the aggressiveness of others, traditional rather than modernizing, not attentive to the problems of daily life, and not clearly defined." Furthermore, in order to ensure the effectiveness of the AD message, recommendations are made ranging from the incorporation of a page from the organization on Internet—and including a number of issues of vital importance to the people and an interparty system of communication—to the appointment of a national leader as a director of all matters relating to these activities. In the first document, following the proposal concerning the AD's conduct vis-a-vis the government of President Rafael Caldera, a conclusion is formulated concerning the results of the AD strategy of backing economic measures and simultaneously preventing public opinion from perceiving the party as in an alliance with the Executive Branch.

Diagnosis and Guidelines

To date, that line of conduct has yielded a politically positive balance for the AD. According to the text, achievements in this area include: "1) tripling the second party; 2) becoming the leading force; and 3) being the country's sole point of reference."

The disturbing factors generated by the December elections and the political atmosphere of recent months include: "1) a 50-percent rate of abstention; 2) surveys showing a picture of widespread distrust of parties and politicians; and 3) the emergence of an anti-AD front."

The following diagnosis of the country is then made: "1) galloping inflation; 2) an economic recession characterized by a decline in public and private investments and business closures. The cause: inadequate handling of the government's economic policy."

The government's plan of adjustments can be summarized as follows: "1) higher fuel prices; 2) an increase in the general sales tax [IGV]; 3) freeing the rate of exchange; 4) the elimination of price controls; 5) higher electricity and water rates; 6) an increase in interest rates; and 7) privatization."

What the government hopes to achieve through these measures: reducing the fiscal deficit and stimulating production.

The consequences of the government's measures:

"A strong impact on the citizenry, at least in short-range terms; increased unemployment; growth of the informal economy; an increase in critical poverty; the breakup of families and higher indices of child abandonment; heightened personal insecurity."

The government's social policy can be summed up as: "1) a bimonthly family subsidy of 9,600 bolivars per student; 2) a strategic food program; 40-percent subsidies for flour, rice, oil, sardines, and legumes; 3) a school food program of one meal a day; 4) breakfast, lunch, and school cafeterias; 6) [as published] the supplying of medicines; 7) PAMI [Comprehensive Medical Assistance Plan]; 8) subsidized student transportation; 9) training and jobs for young people; 10) an increase in old-age pensions; 11) medical and surgical materials for ambulatory clinics; 12) care for the elderly; 13) an 8.5-month bond."

Politically speaking, the country exhibits the following picture: "1) disenchantment with democracy; 2) a negative perception of parties and politicians; and 3) a regrouping of the far left for the purpose of generating violent conflicts."

From an individual standpoint, the document observes the following reactions in Venezuelans:

"1) frustration; 2) despair; 3) uncertainty; and 4) the greatest dissatisfaction in the middle class."

What the AD Is Doing and Will Do

Given the picture described, party strategy can be explained as follows:

"1) Despite the unpopularity of the measures, the party acted responsibly and, to that effect, has backed their content in order to halt inflation. The AD demands the reorganization of government and the implementation of a coherent economic policy for another adjustment.

"2) The AD will maintain its own profile as a party and will not be tied to the government or to opposition parties.

"3) The party must open up. The AD must reach all sectors of civil society.

"4) We must engage in street politics. Citizens must perceive us as the interpreter of their needs.

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"5) We must strengthen communal leadership. Like the national leadership, regional and municipal leadership must exert a presence in the communications media. Leaders must make it a practice to keep promises.

"6) There must be firm opposition to local and regional governments in cases where the AD is the opposition.

"7) The AD must support its own governors and mayors. There must be no public disagreements.

"8) Political positions must be kept current.

"9) The AD must be ever vigilant about complying with social programs.

"10) The party must defend the middle class.

"11) We must be coherent and maintain party unity with solidarity and loyalty.

"12) We must reject messages and rhetoric that attempt to implant doctrines other than those of the party. Authority must be maintained whatever the cost.

"13) Adversaries must be reported when, from their parties and governments, they distance themselves from the people's aspirations. We must respond to the adversary with firmness.

"14) AD leaders must be prepared to handle the issues of: critical poverty, quality of life, nutrition and malnutrition, health, education, employment and unemployment, and personal and collective security.

"15) We must lead protests."

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